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LEGISLATIVE HISTORY

Public Law 419--79th Congress

Chapter 425--2d Session

H. R. 6601

TABLE OF CONTENTS

Digest of Public Law 419	1
Index and Summary of History on H. R. 6601	1

DIGEST OF PUBLIC LAW 419

THIRD URGENT DEFICIENCY APPROPRIATION ACT, 1946. Appropriates \$35,000,000 for public-works advance planning (PWA), \$1,000,000 for liquidation of war public works (community facilities, PWA) (re-appropriation), \$225,000 for Disbursement Division (Treasury), and a provision prohibiting the payment of salary from this Act to any person who engages in a strike against the Government or is a member of an organization which asserts the right to strike against the Government.

INDEX AND SUMMARY OF HISTORY OF H. R. 6601

- May 6-27, 1946 Documents: The estimates of appropriations upon which the bill is based are contained in House Documents Nos. 550, 552-556, 560, 585, 589, 592, 597, 598, 605, 606, 609, 610, 611, and 614.
- May 22, 1946 Hearings: House, H. R. 6601.
- May 29, 1946 House Committee on Appropriations reported H. R. 6601. House Report 2159. Print of the bill as introduced.
- Debated in House and passed as reported.
- May 31, 1946 H. R. 6601 referred to the Senate Committee on Appropriations. Print of the bill as referred.
- June 4, 1946 Hearings: Senate, H. R. 6601.
- June 8, 1946 Senate Committee reported H. R. 6601 with amendments. Senate Report 1433. Print of the bill as reported.
- June 11, 1946 Amendment proposed by Senator Johnston. Print of the amendment.
- June 14, 1946 Debated in Senate and passed with amendments.
- Senate Congresses appointed.
- Print of the bill with the amendments of the Senate numbered.
- June 18, 1946 House agreed to Senate amendments.
- June 21, 1946 Approved. Public Law 419.



DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF
APPROPRIATION FOR THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DEFICIENCY ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR
1942 IN THE SUM OF \$408.89 AND SUPPLEMENTAL ESTIMATES OF
APPROPRIATION FOR THE FISCAL YEAR 1946 IN THE SUM OF
\$223,102, FOR THE DEPARTMENT OF JUSTICE

MAY 6, 1946.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 4, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a deficiency estimate of appropriation for the fiscal year 1942 in the sum of \$408.89 and supplemental estimates of appropriation for the fiscal year 1946 in the sum of \$223,102, for the Department of Justice.

The details of these estimates, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,

Washington 25, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a deficiency estimate of appropriation for the fiscal year 1942 in the amount of \$408.89 and supplemental estimates of appropriation for the fiscal year 1946 in the amount of \$223,102, for the Department of Justice, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division," including the objects specified under this head in the Department of Justice Appropriation Act, 1942----- \$408. 89

This estimate covers claims certified for settlement by the Comptroller General, chargeable to an appropriation that is exhausted, which require a deficiency appropriation for payment.

For an additional amount, fiscal year 1946, for personal services, as follows:

Tax Division-----	\$9, 000
Criminal Division-----	20, 000
Office of the Assistant Solicitor General-----	10, 210
Office of Pardon Attorney-----	392

The amount for the Tax Division is to cover terminal-leave payments made to employees leaving the service and for salaries for the remainder of the fiscal year for certain veterans expected to return to duty within that period. For the Criminal Division, the additional amount is to pay the salaries of the staff employed in the foreign agents registration activity and to pay terminal leave during the present fiscal year for part of this staff. In the office of the Assistant Solicitor General, the additional amount is required for salaries in the Federal-State Relations Section and for payment of terminal leave. The office of the pardon attorney requires the additional appropriation in order to retain the present staff for the remainder of the current fiscal year.

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding"----- \$100, 000

This amount will be required because of an increase in the volume of printed briefs and records required in cases in litigation and for certain card forms required by the Federal Bureau of Investigation and the Immigration and Naturalization Service.

Fees of witnesses: For an additional amount, fiscal year 1946, for "Fees of witnesses," including the objects specified under this head in the Department of Justice Appropriation Act, 1946, \$63,500: *Provided*, That the limitation on the amount which may be expended for compensation and expenses of witnesses or informants authorized or approved by the Attorney General is hereby increased from \$25,000 to \$50,000----- \$63, 500

This amount is required as a result of an increase in criminal litigation before the Federal courts during the current fiscal year, requiring an increase in the number of witnesses and in the amount necessary for fees and mileage.

Pay and expenses of bailiffs: For an additional amount, fiscal year 1946, for "Pay and expenses of bailiffs," including the objects specified under this head in the Department of Justice Appropriation Act, 1946---- \$20,000

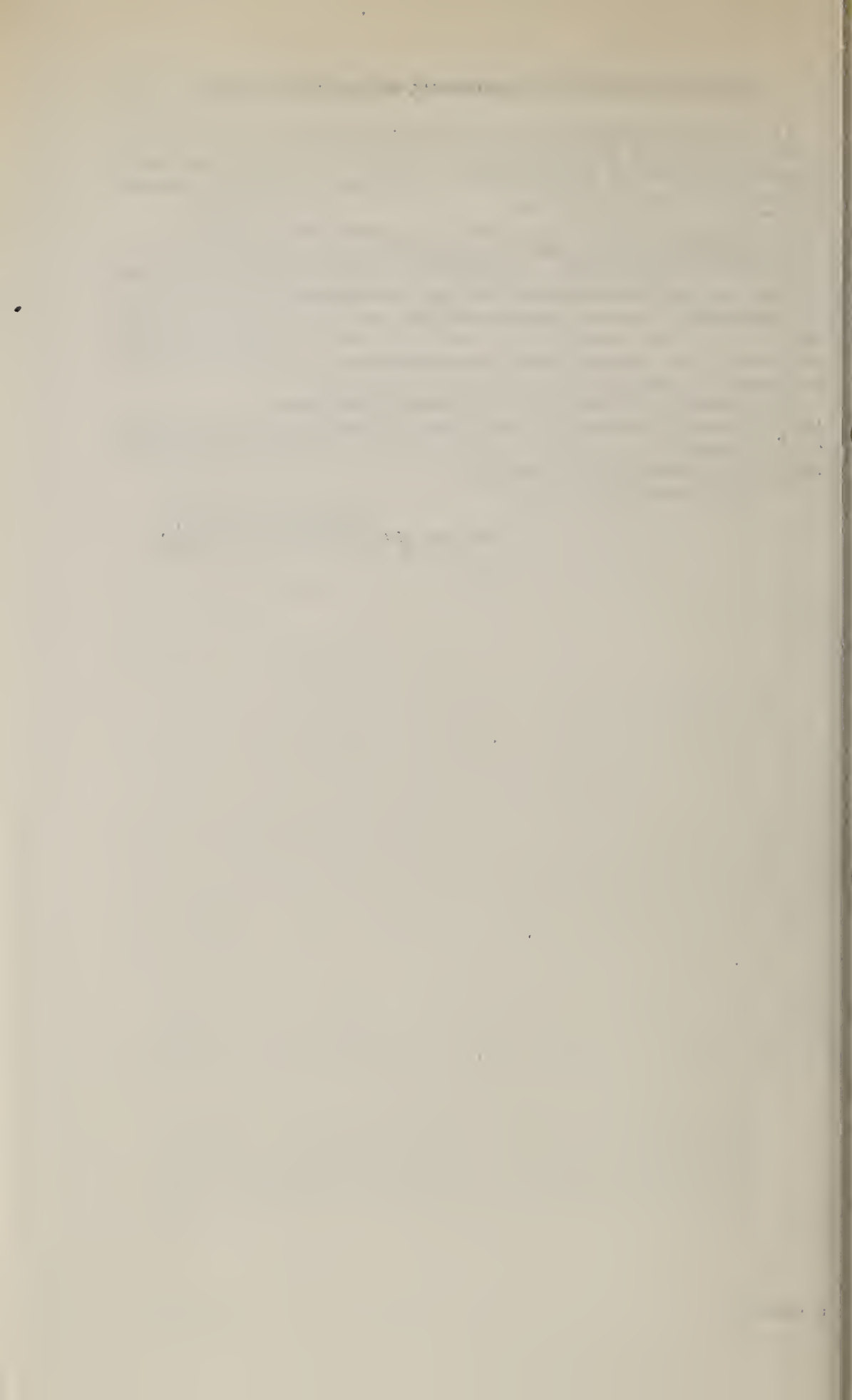
Based on experience during the first 9 months of this fiscal year, it is estimated that this amount will be required in order to provide bailiffs during the remainder of the fiscal year. The estimate also provides for an increase in the cost of meals and lodging for bailiffs or deputy marshals in charge of sequestered juries.

The foregoing deficiency and supplemental estimates of appropriation are to meet contingencies which have arisen since the transmission of the budgets for the fiscal years involved, and I recommend that they be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE JUDICIARY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE SUM OF \$98,500 FOR THE JUDICIARY

MAY 6, 1946.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, May 4, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress supplemental estimates of appropriation for the fiscal year 1946 in the sum of \$98,500 for the Judiciary.

The details of these estimates, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1946 in the amount of \$98,500 for the Judiciary, as follows:

THE JUDICIARY

MISCELLANEOUS ITEMS OF EXPENSE

Probation system, United States courts: For an additional amount, fiscal year 1946, for "Probation system, United States courts" ----- \$20, 000

This amount is required because of an underestimate in the amount of additional appropriation required to meet the increased cost of personal services under the Federal Employees Pay Act of 1945 (Public Law 106). It was anticipated that approximately \$50,000 of that cost could be met from savings which would accrue by reason of vacancies in established positions. Many of these vacancies, however, have been filled by personnel returning from the armed forces.

Miscellaneous salaries: For an additional amount, fiscal year 1946, for "Miscellaneous salaries" ----- \$20, 000

This amount is required to provide clerical assistance to judges who are to be appointed to fill existing vacancies, and to provide funds for contingent liability for payment of terminal leave of judicial employees subject to ruling by the Comptroller General of the United States.

Salaries, court reporters: For an additional amount, fiscal year 1946, for "Salaries, court reporters" ----- \$58, 500

This amount is required because of the employment of salaried court reporters for a greater portion of the fiscal year than was anticipated when the appropriation was approved, and by the use of temporary reporters to a greater extent than was foreseen.

The foregoing supplemental estimates of appropriation are to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1946, and I recommend that they be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE
FEDERAL POWER COMMISSION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$1,000 FOR THE FEDERAL POWER
COMMISSION

MAY 6, 1946.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, May 3, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of Congress a supplemental estimate of appropriation for the fiscal
year 1946 in the amount of \$1,000 for the Federal Power Commission.

The details of the estimate, the necessity therefor, and the reason for
its submission at this time are set forth in the letter of the Director of
the Bureau of the Budget, transmitted herewith, in whose comments
and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$1,000 for the Federal Power Commission, as follows:

FEDERAL POWER COMMISSION

Penalty mail costs: For an additional amount, fiscal year 1946, for deposit in the general fund of the Treasury for cost of penalty mail of the Federal Power Commission----- \$1, 000

The purpose of this estimate is to provide funds for additional penalty mailings arising from increased activities of the Commission after the surrender of Germany and Japan.

The foregoing supplemental estimate is made necessary by reason of contingencies which have arisen since transmission of the Budget for the fiscal year 1946. I recommend that the estimate be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE DEPARTMENT OF LABOR

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$2,148,800 FOR THE DEPARTMENT
OF LABOR

MAY 6, 1946.—Referred to the Committee on Appropriations and
ordered to be printed

THE WHITE HOUSE,
Washington, May 3, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$2,148,800 for the Department of Labor.

The details of the estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1946 for the Department of Labor, as follows:

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

Grants to States for emergency maternity and infant care (national defense): For an additional amount, fiscal year 1946, for "Grants to States for emergency maternity and infant care (national defense)," including the objects specified under this head in the Department of Labor Appropriation Act, 1946..... \$2, 148, 800

The additional funds are required by reason of the fact that the average cost per case has increased and the number of cases authorized month by month has failed to decline as rapidly as was anticipated when the Congress included a rescission of \$8,113,600 in the First Supplemental Surplus Appropriation Rescission Act.

The foregoing supplemental estimate is made necessary by reason of contingencies which have arisen since the transmission of the Budget for the fiscal year 1946. I recommend that it be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION AND DRAFT OF
A PROPOSED PROVISION PERTAINING TO AN ESTIMATE OF
APPROPRIATION FOR THE POST OFFICE DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$34,426,000, TOGETHER WITH A
DRAFT OF A PROPOSED PROVISION PERTAINING TO AN ESTI-
MATE OF APPROPRIATION FOR THE FISCAL YEAR 1947, FOR THE
POST OFFICE DEPARTMENT

MAY 6, 1946.—Referred to the Committee on Appropriations and
ordered to be printed

THE WHITE HOUSE,
Washington, May 4, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal year 1946 in the amount of \$34,426,000, together with a draft of a proposed provision pertaining to an estimate of appropriation for the fiscal year 1947, for the Post Office Department.

The details of these estimates and draft of proposed provision, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1946 in the amount of \$34,426,000, together with a draft of a proposed provision pertaining to an estimate of appropriation for the fiscal year 1947, for the Post Office Department, as follows:

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

For additional amounts, fiscal year 1946, for appropriations of the Post Office Department, including the objects specified in the Post Office Department Appropriation Act, 1946, under each head respectively, as follows:

Office of the Postmaster General: Adjusted losses and contingencies..	\$10, 000
Office of the First Assistant Postmaster General:	
Compensation to postmasters.....	2, 156, 000
Compensation to assistant postmasters.....	325, 000
Clerks, first- and second-class post offices.....	15, 800, 000
Miscellaneous items, first- and second-class post offices.....	68, 000
Carfare and bicycle allowance.....	60, 000
City delivery carriers.....	11, 000, 000
Office of the Second Assistant Postmaster General:	
Star-route service.....	810, 000
Railroad transportation and mail messenger service.....	1, 000, 000
Railway Mail Service.....	1, 683, 000
Office of the Fourth Assistant Postmaster General:	
Rent, light, power, fuel, and water.....	500, 000
Pneumatic-tube service, New York City.....	14, 300
Transportation of equipment and supplies.....	187, 500
Public Buildings, Maintenance and Operation:	
Operating force.....	700, 000
Operating supplies, public buildings.....	112, 200

These additional amounts for the fiscal year 1946 are made necessary largely by the restoration of the postal service to a peacetime basis; increases in the costs for claims, contracts, supplies and materials; and certain provisions of Public Law 134, approved July 6, 1945, and Public Law 317, approved March 6, 1946.

PROPOSED PROVISION RELATING TO AN ESTIMATE OF APPROPRIATION FOR THE
POST OFFICE DEPARTMENT

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Foreign mail transportation: Not to exceed \$7,500 of the appropriation "Foreign mail transportation", fiscal year 1947, is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Fifth Congress of the Postal Union of the Americas and Spain, to be expended in the discretion of the Postmaster General and accounted for on his certificate which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

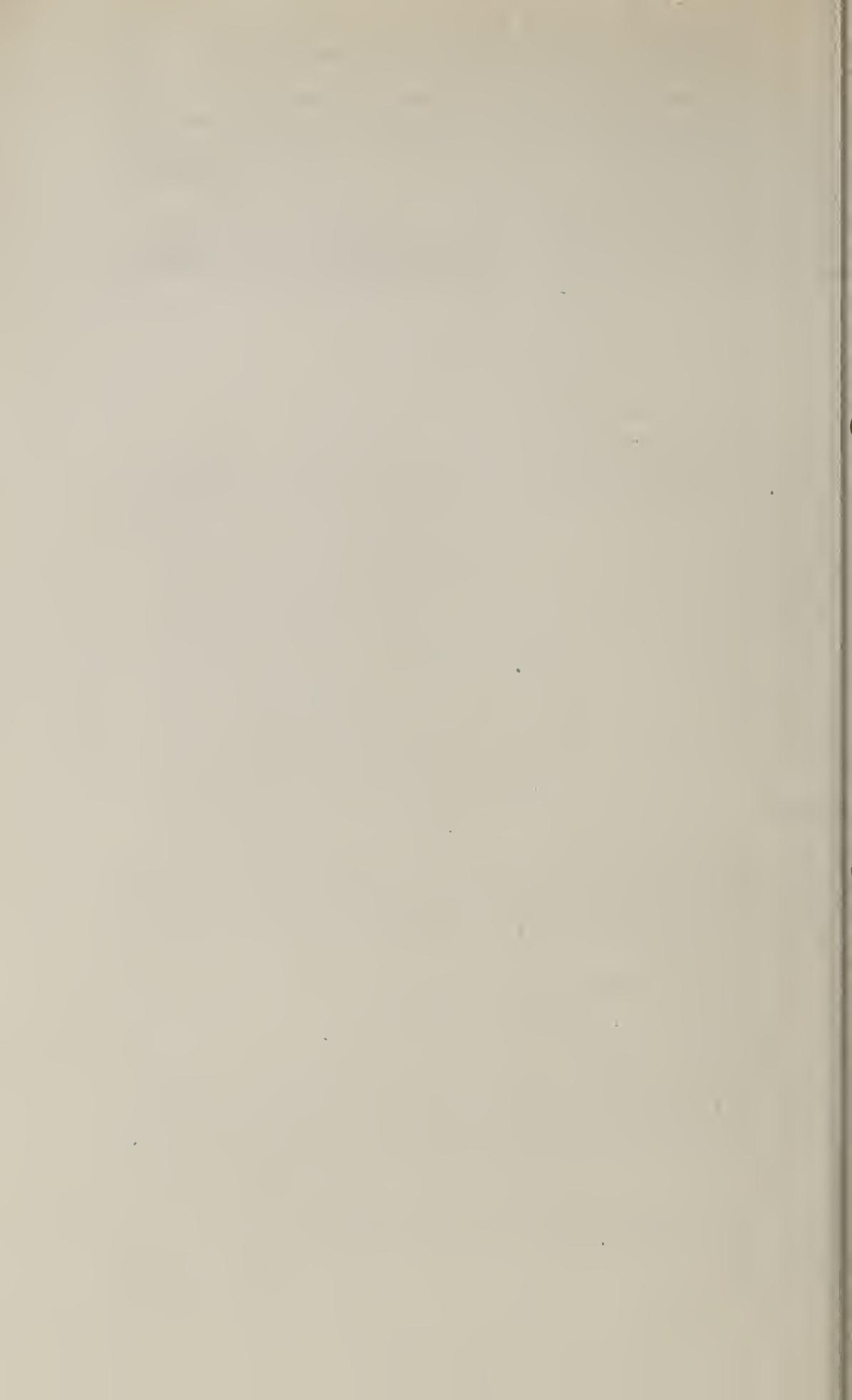
The proposed provision will permit the payment of the expenses of the United States Delegation to the Fifth Congress of the Postal Union of the Americas and Spain to be held sometime during the fiscal year 1947.

The foregoing supplemental estimates of appropriation for the fiscal year 1946 and the proposed provision for the fiscal year 1947 are required to meet contingencies which have arisen since the transmission of the Budgets for the respective fiscal years. I recommend that they be transmitted to Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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DRAFT OF A PROPOSED PROVISION RELATING TO AN
APPROPRIATION FOR THE OFFICE OF DEFENSE TRANS-
PORTATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DRAFT OF A PROPOSED PROVISION RELATING TO AN EXISTING
APPROPRIATION FOR THE FISCAL YEAR 1946, FOR THE OFFICE
OF DEFENSE TRANSPORTATION.

May 6, 1946.—Referred to the Committee on Appropriations and ordered to be
printed.

THE WHITE HOUSE,
Washington, May 4, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a draft of a proposed provision relating to an existing appropriation for the fiscal year 1946, for the Office of Defense Transportation.

The details of this draft of proposed provision, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 3, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision relating to an existing appropriation for the fiscal year 1946 for the Office of Defense Transportation, as follows:

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: The limitation under the head "Office of Defense Transportation" on the amount available for printing and binding fixed at \$14,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$20,000.

This increase in the limitation for printing and binding is necessary in order to permit the printing of a report about wartime transportation and the activities of the Office of Defense Transportation. The report, which has already been prepared, describes the transportation emergencies that arose during the war and discusses the steps taken by the carriers, the shippers, and the Government to meet those emergencies. It relates, among other things, facts about the economies that were instigated in order to make maximum utilization of the domestic transportation system.

This report will be an invaluable guide to the carriers and to the Government agencies charged with their regulation during any transportation crisis that may occur in the future. In addition, it will be of interest to carriers and students of transportation in that it will aid in carrying over into peacetime some of the advancements made under the pressure of war.

The foregoing proposed provision is made necessary by reason of contingencies which have arisen since the transmission of the Budget for the fiscal year 1946. I recommend that it be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE UNITED STATES SOLDIERS' HOME

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1946 FOR THE UNITED STATES SOLDIERS' HOME AMOUNT-
ING TO \$50,000

MAY 9, 1946.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, May 9, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1946 for the United States Soldiers' Home amounting to \$50,000.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 7, 1946.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$50,000 for the United States Soldiers' Home, as follows:

WAR DEPARTMENT (CIVIL FUNCTIONS)

UNITED STATES SOLDIERS' HOME

Maintenance and operation of the United States Soldiers' Home: For an additional amount, fiscal year 1946, "Maintenance and operation of the United States Soldiers' Home," to be paid from the Soldiers' Home permanent fund, including the limitation under this head in the War Department Civil Appropriation Act, 1946----- \$50, 000

The additional funds recommended will provide for repairs and alterations necessary to rectify existing fire hazards.

The foregoing supplemental estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for fiscal year 1946 and its approval is recommended.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
UNITED STATES SOLDIERS' HOME

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, FOR THE FISCAL
YEAR 1946, FOR THE UNITED STATES SOLDIERS' HOME, AMOUNT-
ING TO \$275,000

MAY 13, 1946.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 11, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation, for the fiscal year 1946, for the United States Soldiers' Home amounting to \$275,000.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 10, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1946, in the amount of \$275,000, for the United States Soldiers' Home, as follows:

WAR DEPARTMENT (CIVIL FUNCTIONS)

UNITED STATES SOLDIERS' HOME

Plans and specifications: For the preparation of plans and specifications for the renovation and enlargement of the United States Soldiers' Home, \$275,000, to be paid from the Soldiers' Home permanent fund..... \$275, 000

The funds recommended will enable the United States Soldiers' Home to prepare plans and specifications for renovation and enlargement of facilities.

The foregoing supplemental estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for fiscal year 1946 and its approval is recommended.

Very respectfully yours,

PAUL H. APPLEBY,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
FEDERAL WORKS AGENCY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR FISCAL
YEARS 1946 AND 1947, AMOUNTING TO \$54,387,000, TOGETHER WITH
A DRAFT OF A PROPOSED PROVISION PERTAINING TO AN EXIST-
ING APPROPRIATION FOR THE FEDERAL WORKS AGENCY

MAY 14, 1946.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, May 14, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for fiscal years 1946 and 1947, amounting to \$54,387,000, together with a draft of a proposed provision pertaining to an existing appropriation for the Federal Works Agency.

The details of these estimates and the proposed provision, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 13, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for fiscal years 1946 and 1947, amounting to \$54,387,000, together with a draft of a proposed provision pertaining to an existing appropriation for the Federal Works Agency, as follows:

FEDERAL WORKS AGENCY

OFFICE OF THE ADMINISTRATOR

Public Works Administration liquidation: The funds made available for "Public Works Administration liquidation" by the Second Deficiency Appropriation Act, 1944, approved June 28, 1944 (Public Law 375), as amended by the First Deficiency Appropriation Act, 1945, approved April 25, 1945 (Public Law 40), and the First Deficiency Appropriation Act, 1946, approved December 28, 1945 (Public Law 269), are hereby continued available until June 30, 1947, of which not to exceed \$40,000 shall be available for administrative expenses during the fiscal year 1947.

Due to shortage of material and to litigation the final completion of 11 projects financed by loans or grants from funds available to the Public Works Administration will be delayed beyond June 30, 1946, when present authority for the obligation of funds expires. The Federal Government has an obligation to complete these projects and to protect its interests in the bonds held in connection therewith.

The above provision limits the amount that may be expended for administration, which limitation is consistent with the work to be accomplished.

PUBLIC BUILDINGS ADMINISTRATION

Site and building, west central heating plant, Washington, District of Columbia: For an additional amount for "Site and building, west central heating plant, Washington, District of Columbia," including the objects specified under this head in the First Supplemental Civil Functions Appropriation Act, 1941, and as authorized by the Act of December 23, 1941 (55 Stat. 856), \$2,600,000, to remain available until expended..... \$2, 600, 000

This project is now under active construction and it is estimated that \$6,500,000 will have been expended by June 30, 1947. There has been appropriated for this purpose \$3,900,000 and an additional \$2,600,000 will be required.

General administrative expenses: For an additional amount, fiscal year 1947, for "General administrative expenses," including the objects specified under this head in the Independent Offices Appropriation Act, 1947, \$282,000, of which amount not to exceed \$79,635 may be expended for personal services in the District of Columbia, \$144,920 for personal services in the field, and \$50,000 for travel expenses, which limitations shall be in addition to those specified under said head..... \$282, 000

The purpose of this estimate is to implement the function of space survey and utilization in order that economical use of office and other space by the executive establishment may be achieved. The shortage of office space is critical in most metropolitan areas and the failure of the Federal Government properly to adjust its use of space to reason-

able needs not only results in avoidable expenditures but interferes with the normal use of space by business activities.

The magnitude of the job is illustrated in part by the office space in use as well as the costs involved. Outside of space used by the Post Office Department there is a total of 115,000,000 square feet of office space in use which is costing annually in rents and operations about \$132,000,000.

It is particularly desirable that this problem be attacked now as a part of the readjustments of the executive establishment to a peacetime basis.

Salaries and expenses, public buildings and grounds outside the District of Columbia: For an additional amount, fiscal year 1947, for "Salaries and expenses, public buildings and grounds outside the District of Columbia", including the objects specified under this head in the Independent Offices Appropriation Act, 1947----- \$1, 448, 000

For operation, maintenance, and protection of the Denver ordnance plant and for moving and space adjustments additional funds in the amount of \$1,448,000 will be required for the fiscal year 1947.

Veterans' decentralization allowances: For expenses of packing, crating, drayage, transportation, temporary storage (not to exceed thirty days), unpacking and uncrating household goods and personal effects (not exceeding 7,000 pounds if uncrated and 8,750 pounds if crated) in accordance, unless otherwise specified herein, with the Act of October 10, 1940, and regulations promulgated thereunder or any amendments thereto, of employees transferred from Washington in order to be restored pursuant to the provisions of section 8 of the Selective Training and Service Act of 1940, as amended, to positions in certain activities of departments and establishments, which positions were removed from the seat of government under the President's program of decentralization during 1941-1944, and for payment to such employees of special allowances of \$5 per day for not to exceed fifteen days after arrival at destination subject to conditions hitherto prescribed with respect to such special allowances, \$57,000, to remain available until June 30, 1948: *Provided*, That such sums as may be determined by the Commissioner of Public Buildings to be necessary therefor may be transferred to other agencies concerned for the payment of such expenses and allowances----- \$57, 000

Part of the cost of moving agencies out of the District of Columbia during the emergency was the payment for transportation of household effects of employees and a special per diem allowance to cover an adjustment period at the new location. The purpose of this estimate is to provide these services for veterans whose positions have been moved. The estimate includes \$44,000 to cover the cost of transporting the household effects of 246 veterans eligible for restoration to their former positions and \$13,000 for special per diem allowances.

BUREAU OF COMMUNITY FACILITIES

Public works advance planning: For an additional amount for "Public works advance planning," \$50,000,000, which together with the appropriations for this purpose in the Independent Offices Appropriation Act, 1946, and the First Deficiency Appropriation Act, 1946, shall remain available until June 30, 1947, of which total amount not to exceed \$1,690,000 shall be available for administrative expenses during fiscal year 1947, including objects specified under this head in said Independent Offices Act----- \$50, 000, 000

The purpose of title V of the War Mobilization and Reconversion Act of 1944 is to encourage States and other non-Federal public

agencies to make advance plans for public works by providing loans or advances to aid in financing preparation of such plans.

Of the \$30,000,000 appropriated for this purpose only \$5,000,000 remained available for obligation on March 31, 1946, with \$31,000,000 in applications ready for obligation. The present rate of receipt of applications indicates that by June 30, 1946, and June 30, 1947, requests for advances in excess of available funds will approximate \$35,000,000 and \$100,000,000, respectively.

If this program is to serve the purpose for which it was designed, planning work should be expedited.

Maintenance and operation of schools: For carrying out the provisions of "An Act to expedite the provision of housing in connection with national defense, approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes" (H. R. 5796, 79th Congress), not to exceed \$10,000,000 of the unobligated balances of the funds heretofore appropriated for carrying out the provisions of titles II and III of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541) to remain available until June 30, 1947, of which amount not to exceed \$400,000 shall be available for administrative expenses, including the objects specified under the head "Defense public works (community facilities)" in the Second Deficiency Appropriation Act, 1941, and the joint resolution approved December 23, 1941 (Public Law 371).

H. R. 5796, Seventy-ninth Congress, provides for the continuation of assistance to local school agencies for the fiscal year 1947. It is estimated that 250 school agencies will need this assistance and that the funds required will approximate \$10,000,000 including \$400,000 for administrative expenses.

War public works (community facilities) liquidation: For all administrative expenses necessary during the fiscal year 1947 for the liquidation of all activities under titles II, III and IV of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534, 1541 and 1562), except those under the appropriation "Maintenance and operation of schools", not to exceed \$1,350,000 of the unobligated balances of the funds heretofore appropriated for carrying out the provisions of titles II, III and IV of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534, 1541 and 1562), including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of passenger automobiles; of which amount \$150,000 shall be for payment for accumulated and accrued leave of employees separated from the Government service due to said liquidation.

The principal work involved in liquidating the community facilities program covers the completion of construction projects, the audit and settlement of construction projects completed, and the custody, maintenance, operation, leasing, and efforts to dispose of 1,069 federally owned projects which cost \$134,000,000. The foregoing estimates of appropriations, together with the proposed provision pertaining to an existing appropriation, are required to meet contingencies which have arisen since the transmission of the Budgets for the fiscal years 1946 and 1947. I recommend that they be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEARS 1946 AND 1947, IN THE AMOUNT OF \$392,656,000, FOR THE
VETERANS' ADMINISTRATION

MAY 16, 1946.—Referred to the Committee on Appropriations, and ordered to
be printed

THE WHITE HOUSE,
Washington, May 16, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal years 1946 and 1947, in the amount of \$392,656,000, for the Veterans' Administration.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 15, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal years 1946 and 1947, in the amount of \$392,656,000, for the Veterans' Administration, as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount, fiscal year 1946, for "Administration, medical, hospital, and domiciliary services," including the objects specified under this head in the Independent Offices Appropriation Act, 1946..... \$35, 000, 000

While sufficient funds already have been appropriated for medical, hospital, and domiciliary services, expenses of the agency for the handling of veterans' claims for the various benefits available to them have increased greatly due to the heavy demobilization of the armed forces.

Printing and binding: For an additional amount, fiscal year 1946, for printing and binding for the Veterans' Administration..... \$740, 000

The additional amount is required to meet the increase in usage of various application forms, leaflets explaining the operation of the laws, and other material needed to service the large number of veterans being discharged under the current demobilization.

Penalty mail costs: For an additional amount, fiscal year 1946, for deposit in the general fund of the Treasury for cost of penalty mail of the Veterans, Administration..... \$916, 000

The additional amount is required in connection with the increase in mail requirements due to demobilization, particularly with reference to correspondence regarding insurance lapses and premium payments.

National service life insurance: For an additional amount, fiscal year 1947, for "National service life insurance," including the objects specified under this head in the Independent Offices Appropriation Act, 1947, \$356,000,000, to remain available until expended..... \$356, 000, 000

The purpose of this estimate is to provide additional funds for transfer to the national service life insurance trust fund, representing the Government's liability to the trust fund for deaths and disabilities of insured persons caused by the extra hazards of war.

The foregoing supplemental estimates were made necessary by reason of contingencies which have arisen since the transmission of the Budgets for the fiscal years 1946 and 1947. I recommend that they be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

ESTIMATE OF APPROPRIATION FOR THE WAR DEPARTMENT FOR CEMETERIAL EXPENSES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN ESTIMATE OF APPROPRIATION FOR THE FISCAL YEAR 1946 IN THE AMOUNT OF \$92,500,000, FOR THE WAR DEPARTMENT, FOR CEMETERIAL EXPENSES

MAY 17, 1946.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, May 16, 1946.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress an estimate of appropriation for the fiscal year 1946 in the amount of \$92,500,000, for the War Department, for cemeterial expenses.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., May 14, 1946.

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration an estimate of appropriation for the fiscal year 1946, in the amount of \$92,500,000 to remain available until expended, for the War Department, for cemeterial expenses, as follows:

WAR DEPARTMENT—CIVIL FUNCTIONS

CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

For all expenses necessary, not otherwise provided for, to enable the Secretary of War to carry out his responsibilities in connection with evacuation and return to their homeland of the remains of members of the armed forces and certain citizens and employees of the United States as authorized by the Act of May 16, 1946, Public Law Numbered 383, including funeral and burial expenses or payment of allowances in lieu thereof; personal services at the seat of government (not to exceed \$1,350,000) and elsewhere; construction of buildings and facilities; acquisition of real estate or interests therein; purchase, operation, maintenance, and repair of passenger automobiles; printing and binding; settlement of claims incident to and resulting from activities pursuant to said Act in accordance with the Act approved July 3, 1943 (31 U. S. C. 223b); and communication and other services and supplies at the seat of government or elsewhere; \$92,500,000, to remain available until expended: *Provided*, That the Secretary of War is authorized to furnish, without reimbursement, supplies and equipment in excess of the needs of the Military Establishment and to make available existing facilities of the Military Establishment to the fullest extent possible for the accomplishment of the objects provided for herein: *Provided further*, That expenditures from this appropriation may be made when necessary to carry out its purpose without regard to sections 355, 1136, 3648, 3709, and 3734, Revised Statutes, as amended, or civil service and classification laws..... \$92, 500, 000

These funds are required to commence and carry on the evacuation and return of the remains of certain persons who died and are buried outside the continental United States and whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions.

The foregoing estimate for the fiscal year 1946 is required because of new legislation enacted subsequent to the consideration of the annual estimates for that year. I recommend that it be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

C

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE TREASURY DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$45,400 AND A PROPOSED PROVI-
SION PERTAINING TO AN EXISTING APPROPRIATION FOR THE
TREASURY DEPARTMENT

MAY 17, 1946.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 17, 1946.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of Congress a supplemental estimate of appropriation for the fiscal
year 1947 in the amount of \$45,400 and a proposed provision per-
taining to an existing appropriation for the Treasury Department.

The details of the estimate and the proposed provision, the neces-
sity therefor, and the reasons for their submission at this time are
set forth in the letter of the Director of the Bureau of the Budget,
transmitted herewith, in whose comments and observations thereon
I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., May 16, 1946.

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$45,400 and a draft of a proposed provision pertaining to an existing appropriation, for the Treasury Department as follows:

TREASURY DEPARTMENT

BUREAU OF ACCOUNTS

Salaries and expenses: For an additional amount for "Salaries and Expenses, Bureau of Accounts," fiscal year 1947, including the objects specified under this head in the Treasury Department Appropriation Act, 1947, for expenses necessary for the liquidation of the activities of the Office of Censorship and the Office of Civilian Defense..... \$45,400

This estimate is required to enable the Secretary of the Treasury to liquidate the fiscal, personnel, and property affairs of certain war agencies, namely the Office of Censorship and the Office of Civilian Defense.

PROCUREMENT DIVISION

Strategic and Critical Materials: The appropriation "Strategic and Critical Materials, Procurement Division, Act of June 7, 1939." is hereby made available, in addition to the purposes for which appropriated, for all necessary expenses of care and handling, including putting into forms best suited for storage and use for the common defense, of surplus strategic minerals, metals, and materials transferred to the Procurement Division under section 22 of the Surplus Property Act of 1944.

This proposed provision would authorize the use of the existing balance in this appropriation by the Procurement Division for the care, handling, transportation and processing of surplus strategic minerals, metals, and materials which are received by transfer for stock piling.

The foregoing estimate of appropriation and proposed provision are required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1947 and approval is recommended.

Very respectfully yours,

HAROLD D. SMITH,

Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE LEGISLATIVE BRANCH, HOUSE OF REPRESENT-
ATIVES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$45,000, AND FOR THE FISCAL
YEAR 1947 IN THE AMOUNT OF \$46,000, IN ALL, \$91,000, FOR THE
LEGISLATIVE BRANCH, HOUSE OF REPRESENTATIVES

MAY 23, 1946.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 22, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
Congress supplemental estimates of appropriation for the fiscal year
1946 in the amount of \$45,000, and for the fiscal year 1947 in the
amount of \$46,000, in all, \$91,000, for the legislative branch, House
of Representatives.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 21, 1946.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration
supplemental estimates of appropriation for the fiscal year 1946 in
the amount of \$45,000, and for the fiscal year 1947 in the amount of
\$46,000, in all, \$91,000, for the legislative branch, House of Repre-
sentatives, as follows:

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

CONTINGENT EXPENSES OF THE HOUSE

Reporting hearings: For an additional amount, fiscal year 1946, for stenographic reports of hearings of committees other than special and select committees.....	\$5, 000
Telegraph and telephone: For an additional amount, fiscal year 1946, for telegraph and telephone service, exclusive of personal services.....	25, 000
Folding documents: For an additional amount, fiscal year 1946, for folding speeches and pamphlets, at a rate not exceeding \$1 per thousand or for the employment of personnel at a rate not to exceed \$5.20 per day per person, \$15,000, to remain available until June 30, 1947.....	15, 000

OFFICE OF DOORKEEPER

Salaries: For payment of fifty pages, including ten pages for duty at the entrances to the Hall of the House, from July 1 to December 31, 1946, both dates inclusive, at \$5 per day each, fiscal year 1947.....	\$46, 000
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The letter of the Clerk of the House of Representatives, dated May 14, 1946, submitting these estimates, is transmitted herewith.

These being estimates for the legislative branch, I make no observation regarding their necessity.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 14, 1946.

DIRECTOR, BUREAU OF THE BUDGET,
Executive Office of the President, Washington, D. C.

SIR: I submit herewith, for transmission to Congress, supplemental estimates of appropriations required by the legislative establishment, House of Representatives, for the fiscal years ending June 30, 1946, and June 30, 1947, as follows:

CONTINGENT EXPENSES, HOUSE OF REPRESENTATIVES

Telegraph and Telephone: For an additional amount for Telegraph and Telephone Service, exclusive of personnel service, fiscal year 1946.....	\$25, 000
Reporting Hearings: For an additional amount for Stenographic Reports of Hearings of Committees other than special and select committees, fiscal year 1946.....	5, 000
Folding documents: For an additional amount for folding speeches and pamphlets, at a rate not to exceed \$1 per thousand or for the employment of personnel at a rate not to exceed \$5.20 per day per person, fiscal year 1946 and to remain available until June 30, 1947.....	15, 000

SALARIES, OFFICERS AND EMPLOYEES

Office of Doorkeeper: For payment of fifty pages, including ten pages for duty at the entrances to the Hall of the House, from July 1 to December 31, 1946, both dates inclusive, at \$5 per day each, fiscal year 1947.....	46, 000
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Total..... 91, 000

Respectfully yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE DEPARTMENT OF JUSTICE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$7,500 FOR THE DEPARTMENT
OF JUSTICE

MAY 23, 1946.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 22, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of Congress a supplemental estimate of appropriation for the fiscal
year 1946 in the amount of \$7,500 for the Department of Justice.

The details of this estimate, the necessity therefor, and the reasons
for its submission at this time are set forth in the letter of the Director
of the Bureau of the Budget, transmitted herewith, in whose com-
ments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C. May 21, 1946.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a
supplemental estimate of appropriation for the fiscal year 1946 in the
amount of \$7,500 for the Department of Justice, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

For an additional amount, fiscal year 1946, for the "Administrative Division" ----- \$7, 500

This amount is required to meet a potential deficit resulting from obligations incurred for the cost of terminal-leave payments to employees separated from the service and for payment of authorized overtime compensation.

The foregoing supplemental estimate of appropriation is to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1946, and I recommend that it be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE LEGISLATIVE BRANCH, HOUSE OF REPRESENTA-
TIVES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FIS-
CAL YEAR 1947 IN THE AMOUNT OF \$16,800 FOR THE LEGISLA-
TIVE BRANCH, HOUSE OF REPRESENTATIVES

MAY 24, 1946.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 24, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
Congress supplemental estimates of appropriation for the fiscal year
1947 in the amount of \$16,800 for the legislative branch, House of
Representatives.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 23, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration
supplemental estimates of appropriation for the fiscal year 1947 in
the amount of \$16,800 for the legislative branch, House of Representa-
tives, as follows:

LEGISLATIVE BRANCH, HOUSE OF REPRESENTATIVES

OFFICE OF THE CLERK

Salaries: For the employment of eight additional telephone operators at the basic rate of \$1,800 per annum each (authorized by House Resolution 628, adopted May 21, 1946), fiscal year 1947----- \$14, 400

COMMITTEE EMPLOYEES

Clerks, messengers, and janitors to the following committees: For the employment of a stenographer to the Committee on Expenditures in the Executive Departments at the basic rate of \$2,400 per annum (authorized by House Resolution 617, adopted May 14, 1946), fiscal year 1947----- 2, 400

The letter of the Clerk of the House of Representatives, dated May 21, 1946, submitting these estimates, is transmitted herewith.

These being estimates for the legislative branch, I make no observation regarding their necessity.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 21, 1946.

DIRECTOR, BUREAU OF THE BUDGET,
Executive Office of the President, Washington, D. C.

SIR: I submit herewith for transmission to Congress, supplemental estimates of appropriations required by the legislative branch, House of Representatives, for the fiscal year ending June 30, 1947:

SALARIES, OFFICERS AND EMPLOYEES

Committee employees: For the employment of a stenographer to the Committee on Expenditures in the Executive Departments at the basic rate of \$2,400 per annum (authorized by H. Res. No. 617, adopted May 14, 1946) fiscal year 1947-----	\$2, 400
Office of the Clerk: For the employment of eight additional telephone operators at the basic rate of \$1,800 per annum each (authorized by H. Res. No. 628, adopted May 21, 1946) fiscal year 1947-----	14, 400
Total-----	16, 800

Respectfully yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE POST OFFICE DEPARTMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1946 IN THE AMOUNT OF \$79,661,100 FOR THE POST OFFICE
DEPARTMENT

MAY 24, 1946.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 24, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of Congress supplemental estimates of appropriation for the fiscal
year 1946 in the amount of \$79,661,100 for the Post Office Department.

The details of these estimates, the necessity therefor, and the reasons
for their submission at this time are set forth in the letter of the
Director of the Bureau of the Budget, transmitted herewith, in whose
comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 23, 1946.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration
supplemental estimates of appropriation for the fiscal year 1946 in
the amount of \$79,661,100 for the Post Office Department, as follows:

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

For additional amounts, fiscal year 1946, for appropriations of the Post Office Department, including the objects specified in the Post Office Department Appropriation Act, 1946, under each head respectively, as follows:

OFFICE OF CHIEF INSPECTOR

Salaries of inspectors.....	\$160, 600
Clerks, division headquarters.....	63, 000

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters.....	7, 027, 000
Compensation to assistant postmasters.....	745, 000
Clerks, first- and second-class post offices.....	33, 260, 000
Clerks, third-class post offices.....	1, 324, 500
Miscellaneous items, first- and second-class post offices.....	99, 300
City delivery carriers.....	19, 035, 000
Rural delivery service.....	6, 357, 000

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Railway mail service.....	6, 424, 000
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OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Post-office stationery, equipment, and supplies.....	9, 900
Equipment shops, Washington, District of Columbia.....	98, 000
Pneumatic-tube service, New York City.....	29, 000
Vehicle service.....	1, 169, 800

PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

Operating force.....	3, 859, 000
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These estimates of appropriation are necessary to enable the Post Office Department to pay increased salaries for the fiscal year 1946 provided for in Public Law No. 386, approved May 21, 1946, and I recommend that they be transmitted to the Congress.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.



PROPOSED PROVISION PERTAINING TO AN EXISTING
APPROPRIATION OF THE VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSED PROVISION PERTAINING TO AN EXISTING APPROPRIA-
TION OF THE VETERANS' ADMINISTRATION FOR THE FISCAL
YEAR 1947

MAY 24, 1946.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 23, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a proposed provision pertaining to an existing appropriation of the Veterans' Administration for the fiscal year 1947.

The details of the draft of the proposed provision, the necessity therefor, and the reason for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 23, 1946.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision pertaining to an existing appropriation of the Veterans' Administration, for the fiscal year 1947, as follows:

VETERANS' ADMINISTRATION

Amend the second proviso under the head "Hospital and domiciliary facilities, Veterans' Administration," in the Independent Offices Appropriation Act, 1947, to read as follows:

"Provided further, That not to exceed 6.7 per centum of this appropriation plus unobligated balances of prior appropriations under this head shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all traveling expenses, field office equipment, and supplies in connection therewith, except that whenever Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 per centum of the cost of such project may be expended for such services."

In the past, the 3 percent provided for technical services has been adequate due to the repetitive nature of much of the construction work. To keep abreast of the advances in medical science, it has been necessary to develop new criteria for hospitals. Because of the rapid expansion of the construction program and the importance of expediting its completion, it is necessary to employ the United States Army Corps of Engineers and private firms of architects for a considerable portion of the work. For these reasons the former 3-percent limitation now is inadequate.

The foregoing proposed provision pertaining to an existing appropriation is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1947 and its approval is recommended.

Very respectfully yours,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1946, IN THE AMOUNT OF \$24,000,000, FOR THE VETERANS'
ADMINISTRATION

MAY 27, 1946.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, May 25, 1946.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$24,000,000, for the Veterans' Administration.

The details of this estimate, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 24, 1946.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1946, in the amount of \$24,000,000, for the Veterans' Administration, in the form of an amendment to House Document No. 593, as follows:

VETERANS' ADMINISTRATION

On page 2 of House Document 593 (79th Congress, second session) increase the amount of the estimate for "Administration, medical, hospital, and domiciliary services" from "\$35,000,000" to "\$59,000,000"----- (increase)-- \$24, 000, 000

The original amount recommended in my letter of May 15 was based on obligation data through March 31, 1946. There are now available obligation figures through April 30, 1946, showing certain sharp increases in monthly rates of obligation. The adjusted data, after making due allowance for the present rate of recruitment of employees and the probable rate of obligations for other items of expenditure, indicate that the additional amount of \$24,000,000 will be required during this fiscal year.

The foregoing supplemental estimate is made necessary by reason of a contingency which has arisen since the transmission of the Budget for the fiscal year 1946. I recommend that it be transmitted to the Congress.

Very respectfully yours,

PAUL H. APPLEBY,
Acting Director of the Bureau of the Budget.

○

117-6601

THIRD URGENT DEFICIENCY APPROPRIATION BILL FOR 1946

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

SEVENTY-NINTH CONGRESS
SECOND SESSION

ON THE

THIRD URGENT DEFICIENCY APPROPRIATION BILL FOR 1946

Printed for the use of the Committee on Appropriations



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THIRD URGENT DEFICIENCY APPROPRIATION BILL, 1946

HEARINGS CONDUCTED BY THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF DEFICIENCY APPROPRIATIONS, MESSRS. CLARENCE CANNON (CHAIRMAN), LOUIS LUDLOW, EMMET O'NEAL, LOUIS C. RABAUT, JED JOHNSON, JOHN H. KERR, JOHN TABER, RICHARD B. WIGGLESWORTH, EVERETT M. DIRKSEN; ON THE DAYS FOLLOWING, NAMELY:

WEDNESDAY, MAY 22, 1946.

POST OFFICE DEPARTMENT

STATEMENTS OF A. B. STROM, COMMISSIONER OF THE BUDGET, OFFICE OF BUDGET AND ADMINISTRATIVE PLANNING; JOHN J. HAGGERTY, COMPTROLLER, BUREAU OF ACCOUNTS; AND WALTER KELLY, ASSISTANT TO SOLICITOR

Mr. CANNON. Before proceeding with the hearings on the last general deficiency bill, we will take up some items which the Bureau of the Budget indicates should be disposed of as early as practicable and which could not wait until the last bill. So we will submit, with the approval of the committee, a third urgent deficiency bill and take up those matters that have to have immediate and urgent attention before the end of the fiscal year; then we will bring out in the latter part of the session the final deficiency bill.

ANALYSIS OF ESTIMATED OBLIGATIONS, 1946

We have a number of items here for the Post Office Department contained in House Document No. 555, and commencing on page 12 of the committee print which is before the members. The additional amount involved is \$34,426,000, all for the fiscal year 1946. There is a table on page 7 of the justifications which sets forth the details in a very comprehensive way, and we will include that in the record at this point.

(The matter above referred to is as follows:)

Analysis of estimated obligations, funds available, and deficiency, fiscal year 1946, submitted for Third Deficiency Appropriation Act, 1946, H. Doc. 555 (as of May 9, 1946)

Appropriation title	01 Personal services	02 Travel	03 Transportation of things	04 Communication services	05 Rents and utility services	06 Printing and binding	07 Other contractual services	08 Supplies and materials	09 Equipment	13 Re- funds, awards, and indem- nities	Total esti- mated funds available and pending	Excess of obligations over funds available and pending
FIELD SERVICE												
Postmaster General: Adjusted losses and contingencies										\$65,000	\$55,000	¹ \$10,000
First Assistant Postmaster General:												
Compensation to post- masters	\$81,222,855	\$1,473			\$2,505,672						81,574,000	² 2,156,000
Compensation to assistant postmasters	12,704,000										12,379,000	³ 325,000
Clerks, first- and second- class post offices	410,300,000										394,500,000	⁴ 15,800,000
Miscellaneous items, first- and second-class post offices	1,919,657	455,666	\$2,916	\$802,577	15,648	\$6,092	\$51,472	\$13,672			3,200,000	⁵ 68,000
Care and bicycle allow- ance		1,610,000						20,500	\$4,500		1,575,000	⁶ 60,000
City delivery carriers	29,700,000										218,700,000	⁷ 11,000,000
Total, First Assistant	735,846,512	2,067,139	2,916	802,577	2,521,320	6,092	51,472	34,172	4,500		711,928,000	29,409,000
Second Assistant Postmaster General:												
Star route service			19,938,000					16,000	6,000		19,150,000	⁸ 810,000
Railroad transportation and mail messenger serv- ice		100	145,999,900								145,000,000	⁹ 1,000,000
Railway mail service, sala- ries	92,364,000										90,681,000	¹⁰ 1,683,000
Foreign air mail transporta- tion			8,769,529								4,836,000	¹¹ 3,933,529
Total, Second Assistant	92,364,000	100	174,707,429					16,000	6,000		259,667,000	7,426,529

Fourth Assistant Postmaster General:										
Rent, light, power, fuel, and water	100			12, 199, 900					12, 200, 000	11, 700, 000
Pneumatic-tube service, New York City	308, 245		4, 088	291, 767					604, 100	559, 800
Transportation of equipment and supplies		549, 500							549, 500	362, 000
Operating force for public buildings	35, 364, 000								35, 364, 000	34, 664, 000
Operating supplies for public buildings		1, 700	608, 475	4, 212, 200		330, 900	1, 421, 425	13, 500		
Total, Fourth Assistant	35, 672, 245	1, 800	1, 157, 975	16, 703, 867		330, 900	1, 421, 425	13, 500	56, 389, 800	54, 875, 800
Total obligations	863, 882, 757	2, 069, 039	175, 868, 320	19, 225, 187	6, 092	382, 372	1, 471, 597	24, 000	1, 064, 885, 329	1, 026, 525, 800
								65, 000		1, 514, 000
										17 38, 359, 529

Increase in number of claims for burglary.

2 Overtime and lump-sum terminal-leave payments.

³ Overtime, lump-sum terminal-leave payments, and night-work differential.

⁴ Increase in regular and substitute employees; night-work differential pay; reduction of overtime; act of Mar. 6 1946, Public Law 317.

Increase in number of employees; overtime, night-work differential pay, and lump-sum terminal-leave payments.

increase in travel, supplies and materials, and equipment due to increase in city-carrier force.

increase in number of regular and substitute employees; night-work differential pay; lump-sum terminal-leave payments, act of July 6, 1946, Public Law 317; reduction in overtime.

8 Increase in rates bid for star-route contracts.

⁹ Increase in volume of mail reflected in emergence of new mail carriers.

vessels.

¹⁰ Return of regular employees from military service; overtime; lump-sum terminal-leave payments.

Appropriation of sufficient funds deferred until rates of pay to carriers on certain routes has been fixed by CAB. No deficiency appropriation is being requested at this time.

² Allowance for third-class post offices under Public Law 134; new leases; increases at rental offices and renewals.

increase in number of regular employees; night-work differential pay, and regular overtime; reduction in substitute service and overtime in lieu of compensatory time. Transportation of trucks for motor vehicle accidents.

15 Increase in temporary employment and overtime: 1

increase in temporary employment and overtime; lump-sum terminal-leave payments; reduction in basic salaries of regular employees and night-work differential pay.

17 Deficiency appropriation of \$34,426,000 requested; \$3,933,529 in foreign air-mail transportation deferred, pending fixing of rates by Civil Aeronautics Board.

DEFICIENCY FROM NORMAL OPERATIONS

Mr. CANNON. Generally speaking, these items, as I understand it, grow out of the normal operations and not because of new projects or new undertakings? They are items which must be taken care of and represent appropriation charges which must be met before the end of this fiscal year?

Mr. STROM. That is correct, sir.

Mr. CANNON. You do not include anything there which can be absorbed? Cannot you absorb any of these amounts because of having had lesser charges in other items which are not under consideration here?

Mr. STROM. These are actual amounts needed in each appropriation.

Mr. CANNON. This is the irreducible minimum, then?

Mr. STROM. That is right.

SAVINGS IN APPROPRIATIONS

Mr. TABER. Did the gentleman understand the chairman's question, as to whether or not you had other items where you had a surplus of cash that might be used to take care of some of these things?

Mr. CANNON. Yes; other amounts allocated for projects not involved in this submission. Have not you made savings in other items that are not before us in this estimate?

Mr. STROM. Yes, sir.

Mr. CANNON. Have not you made sufficient savings there to absorb this amount?

Mr. STROM. There will be savings in certain appropriations not listed in House Document 555. In other words, we will not spend the total amount that has been appropriated.

APPROPRIATIONS NOT TRANSFERRABLE

Mr. CANNON. Then why could not you use that money to take care of these items here and get along without a deficiency—at least without an urgent deficiency?

Mr. STROM. We cannot transfer funds from one appropriation to another. This is the net amount needed in every case.

Mr. KELLY. We are restricted by the appropriation act and the Comptroller General will not allow us to spend money out of one appropriation for something appropriated for by another appropriation.

Mr. TABER. But we could give you the authority.

Mr. KELLY. Yes; you could.

Mr. CANNON. If you had the money, all you need is the authorization.

Mr. KELLY. Yes.

Mr. CANNON. We would be glad to arrange that, and would prefer to arrange it in that way rather than to provide a new appropriation.

ESTIMATED SAVINGS IN APPROPRIATIONS AS OF APRIL 24, 1946

Now, what balances have you; what appropriations have you in which you have balances remaining which could be used for this purpose with the proper authorization, and in what amounts?

Mr. STROM. In submitting these estimates to the Bureau of the Budget on April 24, 1946, we did submit a complete statement showing what we expected to save in each appropriation. That, of course, did not take into consideration the law passed yesterday for salary increases of \$400 in the field, Public Law 386.

Mr. CANNON. On that you have had no estimates yet, but you will later submit estimates. But all there is to that is to know a little arithmetic, and when you send that up it will be just a matter of a correct arithmetical computation. That being true, I hardly see why it would be necessary to call you up here after we get those estimates.

Mr. STROM. The estimates are with the Bureau of the Budget.

Mr. CANNON. What we would like to have now is what balances you have and will have on hand, unexpended, in items other than those included in this estimate.

Mr. STROM. The estimates we gave to the Bureau of the Budget on April 24 show \$5,769,581.

Mr. KELLY. Spread over a number of appropriations.

Mr. STROM. Spread over numerous appropriations.

Mr. TABER. Give us a list of them.

Mr. STROM. They are as follows:

Salaries, Office of Postmaster General.....	\$318
Salaries, Third Assistant.....	3, 020
Salaries, Fourth Assistant.....	4, 205
Salaries, Bureau of Accounts.....	36, 000
Printing and binding.....	25, 000
Travel expenses, Postmaster General and assistants.....	959
Post office inspectors, travel expense.....	72, 914
Post Office inspectors, clerks, division headquarters.....	12, 731
Contract station services.....	292, 947
Separating mails.....	264, 936
Unusual conditions in post offices.....	483, 841
Clerks, third-class post offices.....	1, 348, 058
Village delivery service.....	56, 708
Special-delivery fees.....	1, 892, 418
Rural delivery service.....	473, 362
Star route and air-mail service, Alaska.....	14, 244
Railway postal clerks, travel allowance.....	26, 000
Railway mail service miscellaneous expenses.....	28, 135
Electric car service.....	626
Domestic air mail service.....	721, 332
Manufacture and distribution of stamps and stamp paper.....	9, 475
Vehicle service.....	2, 352

That should be a total of \$5,769,581. But, in that connection, I want to call your attention, Mr. Chairman, to the fact that while those are estimated savings at that time, they will be eliminated or reduced in some instances because of the enactment of Public Law 386 yesterday.

ESTIMATED REVENUES, OBLIGATIONS AND DEFICIENCY

Mr. CANNON. Well, as I have said, that is merely a matter of mathematical computation. Have you any further general statement you would like to make on this?

Mr. STROM. Not unless you desire some information as to the estimates of revenues and expenditures for the year.

We now estimate revenues will be \$1,233,901,845. As of April 24, we estimated our obligations would be \$1,311,222,065. That would

leave a deficit of \$77,320,220, but the cost of the new pay bill will increase the deficit \$82,412,994 for 1946.

Mr. CANNON. I have it here as \$79,661,100.

Mr. STROM. That is the amount of money needed to meet the cost of \$82,412,994.

Mr. CANNON. This is estimated from January 1 to July 1?

Mr. STROM. That is right; the amount of appropriations needed. The cost of the bill you will find in the third column from the right. The second column from the right shows cost to be absorbed in present appropriations. The actual cost, \$82,412,994, must be used in calculating the surplus or deficit for the Post Office Department. The additional cost of the pay bill will bring our obligations for the year up to \$1,393,635,059, and the deficit to \$159,733,214.

Mr. CANNON. Are there any questions?

ESTIMATED OBLIGATIONS FOR DEFICIENCY ITEMS, 1946

Mr. TABER. I have no questions. I suppose we ought to go into these various items here. For compensation to postmasters, your appropriation was \$81,574,000. How much of that has been spent down to the 1st of May?

Mr. STROM. I would like to call on the First Assistant for that.

Mr. TABER. Well, I want that on every one of these items.

Mr. CANNON. If the gentleman will permit, I think you will find that on page 4.

Mr. TABER. That does not show the figure, does it?

Mr. STROM. It shows obligations to the end of the March quarter, and an estimate for the June quarter.

Mr. TABER. These are actual for the first three quarters?

Mr. STROM. Yes, sir; on an obligation basis, exclusive of cost of Public Law 386.

Mr. TABER. I think this table on page 4, perhaps, ought to go in the record.

Mr. CANNON. Without objection, that will be inserted in the record.

Mr. TABER. This table on page 4 does not relate to anything except items for which deficiencies are asked?

Mr. STROM. That is correct.

Mr. TABER. That is all I care to ask.

(The matter above referred to is as follows:)

Obligations and estimated obligations, by quarters, fiscal year 1946, submitted for Third Deficiency Appropriation Act, 1946, H. Doc. 555 (as of May 9, 1946)

Appropriation title	September quarter	December quarter	March quarter	June quarter	Total estimated obligations	Estimated reimbursements	Net estimated postal obligations
FIELD SERVICE							
Postmaster General: Adjusted losses and contingencies.....	\$23,848	\$13,244	\$13,526	\$14,382	\$65,000	-----	\$65,000
First Assistant Postmaster General:							
Compensation to postmasters.....	20,927,529	20,939,600	20,931,160	20,931,711	83,730,000	-----	83,730,000
Compensation to assistant postmasters.....	3,358,436	3,295,077	3,026,196	3,024,291	12,704,000	-----	12,704,000
Clerks, first- and second-class post offices.....	102,929,776	116,127,845	95,512,871	95,729,508	410,300,000	\$7,000,000	403,300,000
Miscellaneous items, first- and second-class post offices.....	776,564	905,470	733,256	792,710	3,268,000	-----	3,268,000
Carfare and bicycle allowance.....	407,686	407,552	412,235	407,527	1,635,000	-----	1,635,000
City delivery carriers.....	55,484,205	65,963,793	54,073,537	54,178,465	229,700,000	-----	229,700,000
Total, First Assistant.....	183,884,196	207,639,337	174,749,255	175,064,212	741,337,000	7,000,000	734,337,000
Second Assistant Postmaster General:							
Star route service.....	4,934,957	4,963,046	4,994,106	5,067,891	19,960,000	-----	19,960,000
Railroad transportation and mail messenger service.....	34,973,021	40,379,282	35,325,996	35,501,701	146,000,000	-----	146,000,000
Railway mail service, salaries.....	23,431,616	25,198,473	21,912,589	21,821,322	92,364,000	-----	92,364,000
Foreign air mail transportation.....	1,789,597	1,787,289	2,270,210	2,922,433	8,769,529	-----	8,769,529
Total, Second Assistant.....	64,949,191	72,328,090	64,502,901	65,313,347	267,093,529	-----	267,093,529
Fourth Assistant Postmaster General:							
Rent, light, power, fuel, and water.....	2,923,738	3,162,754	3,101,658	3,011,850	12,200,000	-----	12,200,000
Pneumatic-tube service, New York City.....	152,283	153,364	148,396	150,057	604,100	-----	604,100
Transportation of equipment and supplies.....	89,341	56,277	137,247	266,635	549,500	-----	549,500
Operating force for public buildings.....	8,625,317	8,995,883	8,830,000	8,912,800	35,364,000	-----	35,364,000
Operating supplies for public buildings.....	2,493,031	1,916,425	1,939,965	1,322,779	7,672,200	1,060,000	6,612,200
Total, Fourth Assistant.....	14,283,710	14,284,703	14,157,266	13,664,121	56,389,800	1,060,000	55,329,800
Total obligations.....	263,140,945	294,265,374	253,422,948	254,056,062	1,064,885,329	8,060,000	1,056,825,329
Deduct estimated reimbursements.....	2,015,000	2,015,000	2,015,000	2,015,000	8,060,000	-----	-----
Net postal obligations.....	261,125,945	292,250,374	251,407,948	252,041,062	1,056,825,329	-----	1,056,825,329

COST OF PUBLIC LAW 386, SALARY INCREASES

Mr. TABER. On this pay increase, why not put this table into the record now, and then we will not have to call them back?

Mr. CANNON. Without objection, it will be included in the record at this point.

(The matter above referred to is as follows:)

Analysis of estimated cost and additional appropriations required due to H. R. 5059 (as of May 15, 1946)

Appropriation title	Basic salaries, regular employees	Basic salaries, substitutes	Overtime in lieu of compensatory time	Overtime, regular	Night work differential	Lump-sum terminal leave payments	Other cost items	Total cost of H. R. 5059	Amount to be absorbed	Additional appropriation required
FIELD SERVICE										
Chief inspector:										
Post-office inspectors:										
Salaries	\$159,242					\$1,308	1 \$50	\$160,600		\$160,600
Clerks, division headquarters	75,752			\$14		198		75,954	\$12,964	63,000
Total, chief inspector	234,994			14		1,506	50	236,564	12,964	223,600
First Assistant Postmaster General:										
Compensation to postmaster	6,096,500			680,000			1 250,500	7,027,000		7,027,000
Compensation to assistant postmasters:	684,000		\$57,000		\$575	3,425		745,000		745,000
Clerks:										
First- and second-class post offices	19,600,000	\$11,700,000	880,000	257,000	800,000	23,000		33,260,000		33,260,000
Third-class post offices		2,672,558						2,672,558	1,348,058	1,324,500
Miscellaneous items, first- and second-class post offices	97,800			500	1,000			99,300		99,300
Village-delivery service	12,295	13,305	1,193	335				27,128	27,128	
City-delivery carriers	12,600,000	5,200,000	779,000	402,000	46,000	8,000		19,035,000		19,035,000
Special-delivery fees		871,377			9,358			880,735		
Rural-delivery service	6,414,000	410,000				6,302		6,830,302	473,362	6,357,000
Total, First Assistant	45,504,595	20,867,240	1,717,193	1,339,835	856,933	40,787	250,500	70,577,083	2,729,283	67,847,800
Second Assistant Postmaster General:										
Railway mail service, salaries	4,415,423	1,415,178	6,032	294,902	233,192	59,273		6,424,000		6,424,000
Domestic air-mail service	5,400		87					5,487	5,487	
Total, Second Assistant	4,420,823	1,415,178	6,119	294,902	233,192	59,273		6,429,487	5,487	6,424,000
Third Assistant Postmaster General: Manufacture and distribution of stamps and stamped paper	1,800		8					1,808	1,808	
Fourth Assistant Postmaster General:										
Post-office stationery, equipment, and supplies	9,200			700				9,900		9,900
Equipment shops, Washington, D. C.	93,170			4,315	330	185		98,000		98,000
Pneumatic-tube service, New York City	26,819	1,298		60	827	26		29,000		29,000
Vehicle service	753,936	324,918		56,540	36,450	308		1,172,152	2,352	1,169,800
Operating force for public buildings	3,541,700	150,000	38,135	48,600	67,265	4,900	2 8,400	3,859,000		3,859,000
Total, Fourth Assistant	4,424,825	476,186	38,135	110,215	104,872	5,419	8,400	5,168,052	2,352	5,165,700
Total	54,587,037	22,758,604	1,761,455	1,744,966	1,194,997	106,985	258,950	82,412,994	2,751,894	79,661,100

¹ Increased allowances for rent and utility services to fourth-class postmasters.² Foreign service pay differential.

APPROPRIATION SAVINGS

Mr. CANNON. In your next to the last column here giving the amount to be absorbed, just how definite is that? Is that final; is that the form in which it will be on the 30th of June?

Mr. STROM. So far as we can tell at this time, Mr. Chairman, and, of course, those figures should supplant or amend the savings figures I gave you.

Mr. CANNON. And just how definite is this \$5,769,581 you have just given us here? What do you expect that to be as of June 30, 1946?

Mr. STROM. It will be reduced about \$2,000,000.

Mr. CANNON. Otherwise, it will be stable?

CONSOLIDATED APPROPRIATION SAVINGS STATEMENT

Mr. STROM. I will be glad to make up a consolidated statement covering every appropriation up to date.

Mr. CANNON. Suppose, when your remarks come to you, you supplant them with the tabulation to that effect.

Mr. STROM. Yes, sir.

(The matter above referred to is as follows).

Obligations and estimated obligations, by quarters, available funds, savings, or deficiency, fiscal year 1946—Submitted for Third Deficiency Appropriation Act, 1946 (as of May 23, 1946)

Appropriation title	Estimated obligations					Total	'Total estimated available funds	Estimated savings, unobligated balance	Excess of obligations over available funds due to—		
	September quarter	December quarter	March quarter	June quarter	Public Law 386, salary increases				Other items	Total	
DEPARTMENTAL											
Salaries, office of—											
Postmaster General	\$78,504	\$86,054	\$74,237	\$83,837	\$322,632	\$322,950	\$318				
Budget and Administrative Planning	10,083	10,744	10,049	12,274	43,150	43,150					
First Assistant Postmaster General	220,410	215,946	228,752	245,192	910,300	910,300					
Second Assistant Postmaster General	161,171	185,705	162,645	217,329	726,850	726,850					
Third Assistant Postmaster General	248,727	288,255	263,172	313,526	1,113,680	1,116,700	3,020				
Fourth Assistant Postmaster General	123,596	146,801	136,918	179,920	587,235	591,440	4,205				
Solicitor	34,325	36,768	32,638	40,839	144,670	144,670					
Chief Inspector	87,018	94,896	85,691	92,895	360,500	360,500					
Purchasing Agent	16,232	18,689	15,748	19,031	69,700	69,700					
Bureau of Accounts	94,565	113,392	102,935	124,608	435,500	471,500	36,000				
Total, departmental salaries	1,074,631	1,197,250	1,112,785	1,329,551	4,714,217	4,757,760	43,543				
Contingent and miscellaneous expenses	38,989	32,811	50,846	43,954	166,600	166,600					
Printing and binding	336,714	375,936	296,806	715,544	1,725,000	1,750,000	25,000				
Total, departmental	1,450,334	1,605,997	1,460,437	2,089,049	6,605,817	6,674,360	68,543				
FIELD SERVICE											
Chief Inspector:											
Travel expenses, Postmaster General and Assistant Postmasters General	334	296	511	900	2,041	3,000	959				
Personal or property damage claims	59,514	33,544	37,087	37,355	167,500	167,500					
Adjusted losses and contingencies	23,848	13,244	13,526	14,382	65,000	55,000		\$10,000		\$10,000	
Total Postmaster General	83,696	47,084	51,124	52,637	234,541	225,500	959		10,000	10,000	
Chief Inspector:											
Post Office inspectors, salaries	980,487	929,759	958,466	954,163	3,822,875	3,662,275		\$160,600		160,600	
Post Office inspectors, travel and miscellaneous expenses	212,480	218,233	224,748	227,875	883,336	956,250	72,914				
Post Office inspectors, clerks, divisional headquarters	318,214	284,720	303,987	325,879	1,232,800	1,169,800		63,000		63,000	
Payment of rewards	13,750	13,750	13,750	13,750	55,000	55,000					
Total Chief Inspector	1,524,931	1,446,462	1,500,951	1,521,667	5,994,011	5,843,325	72,914	223,600		223,600	

Obligations and estimated obligations, by quarters, available funds, savings, or deficiency, fiscal year 1946—Submitted for Third Deficiency Appropriation Act, 1946 (as of May 23, 1946)—Continued

Appropriation title	Estimated obligations					Total estimated available funds	Estimated savings, unobligated balance	Excess of obligations over available funds due to—		
	September quarter	December quarter	March quarter	June quarter	Total			Public Law 386, salary increases	Other items	Total
FIELD SERVICE—continued										
First Assistant Postmaster General:										
Compensation to postmasters.....	\$20,927,529	\$20,939,600	\$24,444,660	\$24,445,211	\$90,757,000	\$81,574,000	---	\$7,027,000	\$2,156,000	\$9,183,000
Compensation to assistant postmasters.....	3,358,436	3,295,077	3,398,845	3,396,642	13,449,000	12,379,000	---	745,000	325,000	1,070,000
Clerks, first- and second-class post offices.....	102,929,776	116,127,845	112,122,915	112,379,464	443,560,000	394,500,000	---	33,260,000	15,800,000	49,060,000
Contract station service.....	655,548	649,037	650,223	652,245	2,607,053	2,900,000	\$292,947	---	---	---
Separating mails.....	40,605	40,559	40,600	40,700	162,464	427,400	264,936	---	---	---
Unusual conditions.....	3,051	3,326	2,582	5,000	16,159	500,000	483,841	---	---	---
Clerks, third-class post offices.....	3,923,974	3,930,954	5,277,293	5,279,279	18,411,500	17,087,000	---	1,324,500	---	1,324,500
Miscellaneous items, first- and second-class post offices.....	776,564	905,470	842,926	842,340	3,367,300	3,200,000	---	99,300	68,000	167,300
Village delivery service.....	139,367	76,647	64,933	64,473	345,420	375,000	29,580	---	---	---
Detroit River postal service.....	4,876	3,657	---	4,457	12,990	12,990	---	---	---	---
Carfare and bicycle allowance.....	407,686	407,552	412,235	407,527	1,635,000	1,575,000	---	---	60,000	60,000
City delivery carriers.....	55,484,205	65,963,793	63,581,520	63,705,482	248,735,000	218,700,000	---	19,035,000	11,000,000	30,035,000
Special delivery fees.....	2,146,628	3,451,769	2,293,978	2,595,942	10,488,317	11,500,000	1,011,683	---	---	---
Rural delivery service.....	27,445,414	27,556,589	30,909,128	31,428,869	117,340,000	110,983,000	---	6,357,000	---	6,357,000
Total First Assistant.....	218,243,659	243,354,075	244,041,838	245,247,631	950,887,203	\$55,713,390	2,082,987	67,847,800	29,409,000	97,256,800
Second Assistant Postmaster General:										
Star route service.....	4,934,957	4,963,046	4,994,106	5,067,891	19,960,000	19,150,000	---	---	810,000	810,000
Star route and air mail service, Alaska.....	82,503	97,860	103,368	102,025	385,756	400,000	14,244	---	---	---
Powerboat service.....	190,671	100,078	92,963	316,288	700,000	700,000	---	---	---	---
Railroad transportation and mail messenger service.....	34,793,021	40,379,282	35,325,996	35,501,701	146,000,000	145,000,000	---	---	---	---
Railway mail service, salaries.....	23,431,616	25,198,473	25,131,013	25,026,898	98,788,000	90,681,000	---	---	---	---
Railway postal clerks, travel allowances.....	1,316,784	1,388,901	1,267,799	1,278,516	5,252,000	5,278,000	26,000	---	---	---
Railway mail service, traveling expenses.....	12,512	13,558	13,500	21,730	61,300	61,300	28,135	---	---	---
Railway mail service, miscellaneous expenses.....	92,484	104,710	96,703	98,568	392,465	420,600	626	---	---	---
Electric car service.....	56,187	63,593	58,754	55,840	234,374	235,000	---	---	---	---
Foreign mail transportation.....	150,644	300,684	345,539	803,133	1,600,000	1,600,000	---	---	---	---
Balances due foreign countries.....	375,000	375,000	375,000	375,000	1,500,000	1,500,000	---	---	---	---
Indemnities, international mail.....	2,000	2,000	2,000	2,000	8,000	8,000	---	---	---	---
Total.....								6,424,000	1,683,000	8,107,000
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Foreign air mail transportation.....	1,789,597	1,787,289	2,270,210	2,922,433	8,769,529	4,836,000	---	---	1,393,529	1,393,529
Domestic air mail service.....	10,454,619	10,340,010	10,841,319	10,963,207	42,599,155	43,315,000	715,845	---	---	---
Total, Second Assistant.....	77,682,595	85,114,484	80,918,270	82,535,230	326,250,579	313,184,900	784,850	6,424,000	7,426,529	13,850,529
Third Assistant Postmaster General:										
Manufacture and distribution of stamps and stamped paper.....	1,652,460	1,713,788	1,473,669	1,652,416	6,492,333	6,500,000	7,667	---	---	---
Indemnities, domestic mail.....	449,849	449,305	577,188	634,300	2,110,642	2,110,642	---	---	---	---
Unpaid money orders more than 1 year old.....	240,679	310,341	440,290	685,690	1,677,000	1,677,000	---	---	---	---
Total, Third Assistant.....	2,342,988	2,473,434	2,491,147	2,972,406	10,279,975	10,287,642	7,667	---	---	---
Fourth Assistant Postmaster General:										
Post office stationery, equipment, and supplies.....	1,947,277	1,116,590	1,278,429	906,904	5,249,200	5,239,300	---	9,900	---	9,900
Equipment shops, Washington, D. C.....	1,765,423	137,152	266,346	409,079	2,578,000	2,430,000	---	98,000	---	98,000
Rents, light, power, fuel, and water.....	2,423,738	3,162,754	3,101,658	3,011,850	12,200,000	11,700,000	---	---	500,000	500,000
Pneumatic-tube service, New York City.....	152,283	153,364	162,815	164,638	633,100	589,800	---	29,000	14,300	43,300
Pneumatic-tube service, Boston.....	6,000	6,000	6,000	6,000	24,000	24,000	---	---	---	---
Vehicle service.....	6,856,728	8,744,499	7,968,879	9,158,094	32,728,200	31,558,400	---	1,169,800	187,500	1,169,800
Transportation of equipment and supplies.....	89,341	56,277	137,247	266,635	549,500	362,000	---	---	700,000	187,500
Operating force for public buildings.....	8,625,317	8,965,883	10,750,624	10,851,176	39,223,000	34,664,000	---	3,859,000	700,000	4,559,000
Operating supplies for public buildings.....	2,493,031	1,916,425	1,939,955	1,322,779	7,672,200	7,560,000	---	---	112,200	112,200
Furniture, carpets, and sales.....	194,654	208,147	75,736	71,463	550,000	550,000	---	---	---	---
Total, Fourth Assistant.....	25,053,792	24,497,091	25,687,699	26,168,618	101,407,200	94,727,500	---	5,165,700	1,514,000	6,679,700
Total field service.....	324,931,661	356,932,630	354,691,029	358,498,189	1,395,053,509	1,279,982,257	2,949,377	79,661,100	38,359,529	118,020,629
Total departmental.....	1,430,334	1,605,997	1,460,437	2,089,049	6,606,817	6,674,360	63,543	---	---	---
Grand total.....	326,381,995	358,538,627	356,151,466	360,587,238	1,401,659,326	1,286,656,617	3,017,920	79,661,100	138,359,529	118,020,629

! Appropriation of sufficient funds deferred until rates of pay to carriers on certain routes have been fixed by C.A.B. No deficiency appropriation is being requested at this time.

Schedule of appropriations and funds available, fiscal year 1946 (as of May 23, 1946)

Appropriation title	Appropriated					Reimbursements, transfers, etc.				Total esti- mated funds available	
	Annual act, Public Law 38	First de- ficiency 1946, Public Law 269	Second appropriation		Second Deficiency 1946, Public Law 384	Total appro- priated, 1946	Estimated reimburse- ments	Reappro- priation of prior year funds	Estimated previous year balances available in 1946		Estimated 1946 balances available in 1947
			Urgent Deficiency 1946, Public Law 335	Employees Pay Act, 1945, Public Law 349							
DEPARTMENTAL											
Salaries, office of—											
Postmaster General	\$247, 450	\$12, 700		\$52, 800	\$10, 000	\$322, 950					\$322, 950
Budget and Administrative Planning	36, 650	1, 200		5, 300		43, 150					43, 150
First Assistant Postmaster Gen- eral	710, 800	31, 500		138, 000	30, 000	910, 300					910, 300
Second Assistant Postmaster General	553, 250	20, 600		140, 400	12, 600	726, 850					726, 850
Third Assistant Postmaster General	879, 000	30, 000		202, 700	5, 000	1, 116, 700					1, 116, 700
Fourth Assistant Postmaster General	454, 740	28, 800		93, 000	14, 900	591, 440					591, 440
Solicitor	120, 600	5, 300		18, 770		144, 670					144, 670
Chief Inspector	291, 800	9, 600		59, 100		360, 500					360, 500
Purchasing agent	58, 200			11, 500		69, 700					69, 700
Bureau of Accounts	405, 000	9, 400		57, 100		471, 500					471, 500
Total departmental salaries	3, 757, 490	149, 100		778, 670	72, 500	4, 757, 760					4, 757, 760
Contingent and miscellaneous ex- penses	133, 000	25, 000			8, 600	166, 600					166, 600
Printing and binding	1, 750, 000					1, 750, 000					1, 750, 000
Total departmental	5, 640, 490	174, 100		778, 670	81, 100	6, 674, 360					6, 674, 360
FIELD SERVICE											
Postmaster General:											
Travel expenses, Postmaster General and Assistant Post- masters General	3, 000					3, 000					3, 000
Personal or property damage claims	75, 000	65, 000			27, 500	167, 500					167, 500

[illegible]

Schedule of appropriations and funds available, fiscal year 1946 (as of May 23, 1946)—Continued

Appropriation title	Appropriated				Reimbursements, transfers, etc.				Total esti- mated funds available	
	Annual act, Public Law 38	First de- ficiency 1946, Public Law 269	Second appropriation		Total appro- priated, 1946	Estimated reimburse- ments	Reappro- priation of prior year funds	Estimated previous year balances available in 1946		Estimated 1946 balances available in 1947
			Urgent Deficiency 1946, Public Law 335	Employees Pay Act, 1945, Public Law 349						
FIELD SERVICE—continued										
Second Assistant Postmaster Gen- eral—Continued										
Electric car service	\$235,000				\$235,000					\$235,000
Foreign mail transportation	400,000		\$1,200,000		1,600,000					1,600,000
Balances due foreign countries										1,500,000
Indemnities, international mail	8,000				8,000					8,000
Foreign air-mail transportation	4,836,000				4,836,000					4,836,000
Domestic air-mail service	43,315,000				43,315,000					43,315,000
Total, Second Assistant	292,350,900		19,134,000		311,684,900		+1,254,400	+2,015,564	-1,769,964	313,184,900
Third Assistant Postmaster General:										
Manufacture and distribution of stamps and stamped paper	6,500,000				6,500,000					6,500,000
Indemnities, domestic mail	1,270,000	\$728,000			1,998,000			+118,195	-5,553	2,110,642
Unpaid money orders more than 1 year old	800,000	390,000			1,677,000					1,677,000
Total, Third Assistant	8,570,000	1,118,000			10,175,000			118,195	-5,553	10,287,642
Fourth Assistant Postmaster General:										
Post Office stationery, equip- ment and supplies	4,900,000	3,600		\$20,700	5,239,300					5,239,300
Equipment shops, Washington, D. C.	2,480,000				2,480,000					2,480,000
Rent, light, fuel, and water	11,700,000				11,700,000					11,700,000
Pneumatic-tube service, New York	537,000			52,800	589,800					589,800
Pneumatic-tube Service, Boston	24,000				24,000					24,000
Vehicle service	21,848,400		9,650,000		31,558,400					31,558,400
Transportation of equipment and supplies	320,000				362,000					362,000

Operating force for public build- ings-----	27,164,000	7,500,000				34,664,000				34,664,000
Operating supplies for public buildings-----	6,500,000					6,500,000				7,560,000
Furniture, carpets, and safes-----	6,550,000					6,550,000				550,000
Total, Fourth Assistant-----	76,023,400	3,600	17,150,000	73,500	417,000	93,667,500	+1,060,000			94,727,500
Total field service-----	1,051,546,315	1,209,100	195,477,000	18,299,700	3,867,500	1,270,309,615	+8,060,000	+1,254,400	+2,133,759	1,279,982,257
Total departmental-----	5,640,490	174,100		778,670	81,100	6,674,360				6,674,360
Grand total-----	1,057,186,805	1,383,200	195,477,000	18,998,370	3,948,600	1,276,983,975	+8,060,000	+1,254,400	+2,133,759	1,286,656,617

TRANSFER OF APPROPRIATION BALANCES

Mr. CANNON. Now, if you are going to have this amount of money available as of the end of the fiscal year, why could not that be subtracted from the \$79,661,100 as your aggregate of the additional appropriations required?

Mr. STROM. I do not believe it could be used unless there is some provision in the law that would make it available for any appropriation wherever needed. Your proposal will complicate our accounting and budget work to some extent.

Mr. CANNON. If it were provided in this bill, would that reduce the amount you would require here for additional appropriations?

Mr. STROM. I think it would. I would like to ask Mr. Haggerty to state his opinion.

Mr. HAGGERTY. It would. If we have the authority to use that balance, why, we can reduce the amount of this estimate by that amount. In this case it would be something over \$3,000,000 net as it stands now.

Mr. TABER. You mean by that that this figure of \$2,751,894 in the next to the last column would have to be subtracted from this \$5,769,000 you gave us?

Mr. HAGGERTY. Yes, sir. In submitting the cost of the pay bill, we absorbed that amount.

Mr. STROM. Do I understand, Mr. Chairman and Mr. Taber, that you want a statement similar to page 4 with reference to all appropriations, brought up to date?

Mr. TABER. I think it would be better if we had that instead of what we have been asking for before, so that we would just have one table instead of two. Then we would not be confused at all.

Mr. STROM. Personally I would be much more satisfied to have it that way, to take the revaluation.

Mr. TABER. Well, the record would appear better.

(The statement has been inserted previously in the record.)

Mr. CANNON. Thank you, gentlemen.

WEDNESDAY, MAY 22, 1946.

FEDERAL POWER COMMISSION

PENALTY MAIL COSTS

Mr. CANNON. The next is estimate for the Federal Power Commission contained in House Document No. 553.

The CLERK. They ask for \$1,000 for penalty mail. They have had \$4,500 heretofore and, based on their expenditures thus far in the fiscal year and the estimated expense for the third and fourth quarters, they need another \$1,000 to finish up. The statement they have furnished is quite complete.

Mr. CANNON. If it is merely a matter of penalty mail and they need that much additional to mail their stuff out, all they have to do is to mail the stuff out and then come in here with a deficiency appropriation. I do not guess there is much we can do about it.

Mr. TABER. I do not see how we can do much about it.

JUSTIFICATION OF THE ESTIMATE

Mr. CANNON. Then it will be unnecessary to bring them down.
(The following justification will be inserted in the record:)

JUSTIFICATION FOR SUPPLEMENTAL APPROPRIATIONS (PENALTY MAIL) FISCAL YEAR ENDING JUNE 30, 1946

The end of the war has brought about a very large increase in work for the Federal Power Commission and as a result the Congress approved a supplemental appropriation of \$275,000 for these increased activities. When the supplemental appropriation was considered it was believed that the present appropriation for penalty mail would be sufficient as our first quarter experience did not indicate a deficit. The increased work load, however, has resulted in a general rise in the cost of our penalty mail and now that the Commission's activities in connection with its various functions have increased, the present appropriation is not sufficient. Every effort has been made to control the use of penalty mail in order that we might stay within the amount appropriated by the Congress for this purpose. Actually, however, a large part of the cost of the penalty mail is the result of the legal requirements in connection with the Commission's work and therefore not subject to the Commission's control.

There has been a marked increase in activities in connection with the work under section 7 of the Natural Gas Act, which has made it necessary that a large number of notices of applications filed for certificates for public convenience be mailed.

The natural gas investigation is another major reason for the increased cost of our penalty mail. It was necessary to postpone several of the hearings in this investigation in order that interested parties be allowed more time to furnish information. The postponement of the hearings necessitated mailing subsequent notices to all interested parties. While part of this cost was budgeted, it has exceeded our original estimate.

The return to normal activities has greatly increased the mailing of all our publications which are sold to the public and the money deposited in the Treasury under miscellaneous receipts.

Bills have been received from the Post Office Department for penalty mail in the amounts of: \$1,098 for the first quarter and \$1,390 for the second quarter. The estimated cost for the third quarter is \$1,560, and for the fourth quarter, \$1,452, which indicates a deficit of \$1,000 for this fiscal year.

Every effort has been made to exercise administrative control in the use of penalty mail, but the greatly accelerated activities of the Commission make it necessary that this request be made. Otherwise, important work of the Commission will have to be delayed on account of insufficient penalty mail funds.

WEDNESDAY, MAY 22, 1946.

OFFICE OF DEFENSE TRANSPORTATION

Mr. CANNON. The next item is for the Office of Defense Transportation contained in House Document No. 556.

The CLERK. A limitation on printing and binding of \$14,000 is contained in the current appropriation language. It is requested that the limitation be raised to \$20,000 for the purpose of printing a report of their wartime activities, the cost of which is estimated at \$6,000. The report is already prepared and it is stated that it will be of considerable value to have a permanent record. That is the sole purpose of this request. The information is ready for printing.

Mr. TABER. All they want to do is to raise the limitation?

The CLERK. The letter states:

This report consists of approximately 900 typewritten pages and should be printed, as other forms of duplication will be more expensive and less satisfactory.

While we have sufficient funds in our appropriation to pay the cost of printing and binding, approximately \$6,000, that part of our appropriation earmarked by the Congress for printing has been exhausted.

Mr. CANNON. The limitation has been exhausted?

The CLERK. Yes, sir.

Mr. CANNON. In view of that fact, I hardly see why it is necessary to have them down here.

Mr. TABER. I do not believe it is necessary.

Mr. CANNON. The justification will be inserted in the record at this point.

(The justification follows:)

MAY 20, 1946.

HOUSE COMMITTEE ON APPROPRIATIONS,
Washington 25, D. C.

(Attention of Mr. Pugh.)

GENTLEMEN: Referring to the President's letter of May 4, 1946, to the Speaker of the House of Representatives enclosing draft of a proposed provision relating to an existing appropriation for the fiscal year 1946 for the Office of Defense Transportation reading as follows:

"OFFICE OF DEFENSE TRANSPORTATION

"Salaries and expenses: The limitation under the head 'Office of Defense Transportation' on the amount available for printing and binding fixed at \$14,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$20,000."

This increase in the limitation for printing and binding is necessary in order to permit the printing of a report about wartime transportation and the activities of the Office of Defense Transportation. The report, which has already been prepared, describes the transportation emergencies that arose during the war and discusses the steps taken by the carriers, the shippers, and the Government to meet those emergencies. It relates, among other things, facts about the economies that were instigated in order to make maximum utilization of the domestic transportation system.

This report will be an invaluable guide to the carriers and to the Government agencies charged with their regulation during any transportation crisis that may occur in the future. In addition, it will be of interest to carriers and students of transportation in that it will aid in carrying over into peacetime some of the advancements made under the pressure of war.

This report consists of approximately 900 typewritten pages and should be printed, as other forms of duplication will be more expensive and less satisfactory. While we have sufficient funds in our appropriation to pay the cost of printing and binding, approximately \$6,000, that part of our appropriation earmarked by the Congress for printing has been exhausted.

We respectfully request that the limitation on the amount that may be expended for printing and binding be raised by \$6,000.

Yours sincerely,

JOSEPH L. WHITE, *Executive Officer*.

WEDNESDAY, MAY 22, 1946.

DEPARTMENT OF JUSTICE

STATEMENTS OF S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT
TO THE ATTORNEY GENERAL; AND E. R. BUTTS, CHIEF,
BUDGET AND PLANNING SECTION

PERSONAL SERVICES, TAX DIVISION

Mr. CANNON. We will take up now the items contained in House Document No. 550 for the Department of Justice. On page 9 of the

bill, we have an item for an additional amount, for the fiscal year 1946, for personal services, for the Tax Division, \$9,000. We had previously given you \$696,060. You are now seeking an amount to cover deficit on account of terminal leave of \$6,234 and for the employment of veterans during the remainder of the year of \$2,706, a total of \$9,000. Does that mean veterans returning from the service?

Mr. ANDRETTA. Yes, sir. All of these items, Mr. Chairman, arise on the following basis: These are very small appropriations, strictly for salaries only. We have a very limited staff under most of them. They are the smaller appropriations of the Department.

What has happened is that in trying to keep pace with reductions in force and bringing the veterans back has meant that heavy terminal leave payments have had to be made, which has encroached upon our appropriations to such an extent that we could not save this money.

Ordinarily we have been able to take care of these appropriations for these small items up until this year under the 5 percent transfer clause. We do not have that this year at all. It went out on a point of order.

Our regular subcommittee indicated to us that we would have to come back for this sort of money, which we are doing now, to straighten out these small items.

Ordinarily we would have had it available elsewhere and could have transferred it from those other items.

Mr. CANNON. Have you canvassed the situation thoroughly to see if there are not lapses sufficient to take care of these items? As a rule, there are lapses which do occur.

Mr. ANDRETTA. That is what we hoped would happen in the course of the year, that we would have lapses.

For instance, here is the pardon attorney's office, for which we are asking only \$392. Every year we were able to take care of that office under the 5-percent transfer clause, because the estimate was rounded off in the first place in anticipation of lapses. But those things do not happen any more, particularly on a small roll, where everybody works the full year, such as the nine persons on that roll. The only way we could create lapses was for somebody to take leave without pay or by somebody being dropped from the roll and then not fill the position.

We have created some savings in these appropriations through lapses, but not quite enough to come out.

Mr. CANNON. Will you require the full amount of \$9,000?

Mr. ANDRETTA. Yes, sir; we will. We have calculated this as closely as we could.

Mr. CANNON. And you have estimated up until the end of the fiscal year?

Mr. ANDRETTA. Yes, sir. There is another thing in connection with the Tax Division, and that is that we have not had a head of the Tax Division for some time. He has now been confirmed by the Senate and is entering on his duties tomorrow. So we will have to take care of that salary which we had hoped we would be able to do through lapses. But he will have to go on the roll as well as his secretary.

STATEMENT OF SURPLUSES IN OTHER ITEMS FOR THE DEPARTMENT

Mr. TABER. Mr. Chairman, why would not the same rule apply here that we made for the Post Office Department? Why should not the Department of Justice tell us where they have surpluses that we might apply to these particular items instead of taking new money out of the Treasury?

Mr. CANNON. Yes. Have you figured any surpluses that you might have in other items which are not covered by this estimate up until the end of the fiscal year?

Mr. ANDRETTA. We do have, but as I understand the Budget preferred not to go through the transfer route but preferred sending in new items. We could have submitted items for transfer.

Mr. CANNON. Will you submit for the record a tabulation showing what surpluses you have or will have to the end of the fiscal year, approximately?

Mr. ANDRETTA. For example, last year we turned back \$8,000,000.

Mr. CANNON. Just include as part of your remarks a tabulation showing approximately how much you expect to turn back this year.

Mr. ANDRETTA. Yes, sir; we shall be glad to do that.

(The matter referred to is as follows:)

Estimated unobligated balances as of June 30, 1946

Appropriation:	Estimated balance
Salaries:	
Office of Attorney General.....	\$1, 000
Claims Division, Department of Justice.....	5, 000
Traveling expenses, Department of Justice.....	10, 000
Penalty mail costs, Department of Justice.....	100, 000
Salaries and expenses, Customs Division, Department of Justice.....	1, 000
Examination of Judicial Offices.....	5, 000
Salaries and expenses:	
Lands Division, Department of Justice.....	¹ 350, 000
War Division, Department of Justice.....	² 100, 000
Federal Bureau of Investigation (national defense).....	³ 1, 240, 000
Bureau of Prisons.....	1, 000
Penal and Correctional Institutions.....	65, 000
Medical and hospital service, penal institutions.....	60, 000
Support of United States prisoners.....	100, 000
Total.....	2, 038, 000

¹ Includes \$300,000 to be rescinded, pending before Congress, H. R. 5604.

² Includes \$100,000 rescinded by Congress, Public Law 301.

³ Includes \$1,240,000 rescinded by Congress, Public Law 301.

In addition to the above \$2,038,000 estimated unobligated balance, \$5,803,382 was applied toward the cost of Public Law 106.

Mr. TABER. Those are all the questions I have on this particular item, except I would like to know how much you have actually spent out of the previous appropriation.

Mr. ANDRETTA. For the period ending May 17, the Tax Division on an actual encumbrance basis has an overcommitment of \$5,341. That does not include, Mr. Taber, the anticipated return of some veterans, and we will have to figure on a certain amount of terminal leave that we are going to have to make from now to the end of the year.

Mr. TABER. To take care of the people presently on the roll you have already paid out \$5,341 more than you have?

Mr. ANDRETTA. We have eneumbered \$5,341 more than we have on an annual basis.

CRIMINAL DIVISION

Mr. CANNON. We will take up the next item which is for personal services for the Criminal Division, \$20,000, for the fiseal year 1946. This is in addition to the \$911,300 previously appropriated. You are asking here for additional personnel from April 22 to June 30, 1946, for the Foreign Agents Registration Section, 10 attorneys, 6 political analysts, and 11 nonprofessional employees.

What is the ground for requesting these additional serviees, Mr. Andretta?

Mr. ANDRETTA. Mr. Chairman, when the Attorney General abolished the War Division, he abolished it effective January 1. At that time we advised our regular appropriations subcommittee that there were certain funetions that would be continued. In fact, that appeared in the testimony before this committee when the \$100,000 reseission hearing was had. At that time we indicated that certain funetions were permanent funetions irrespective of whether they were in the War Division or not.

For example, the Foreign Agents Registration Aet is still on the books and has to be enforced; likewise these other aetivities that we have, that you will come to later on, which were transferred to the Assistant Solicitor General.

When that was broken up, in antieipation of the dissolution of the War Division, your committee took \$100,000 away in the reseission bill and then \$40,000 more was taken away by means of absorbing the eost of Publie 106. So we lost \$140,000.

It so happens that terminal-leave payments in reduing foree and dissolving this organization after January 1 took about \$20,000. However, we did at that time, in the reseission bill, estimate that the continuing funetions would run into substantial money, at least \$25,000 for the rest of this year and we are now preparing a regular estimate for next year. We were not able when we submitted our regular estimates to antieipate what it was going to cost, and, at the time, we were hoping to reduce organization.

Mr. CANNON. Have you antieipated any of these positions? Have the persons already been appointed?

Mr. ANDRETTA. They have been on for some time.

Mr. CANNON. All of them?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. Tell us what positions and how much they are to be paid.

Mr. ANDRETTA. We have had 58 persons engaged in this partieular work.

Mr. CANNON. Include in your statement a tabulation of the positions and the pay for each position. You have it eompletely set up, then, at this time?

Mr. ANDRETTA. Yes. Under the War Division it was 58 persons and when the Criminal Division took it over we reduced foree and now we have determined that it will funetion with an organization of 27 for the rest of this year.

Mr. CANNON. And you have all of the 27 now on the pay roll?

Mr. ANDRETTA. Yes, sir.

(The information requested above is as follows:)

Grade	Number	Position	Obligation
P-6.....	2	Attorney.....	\$12,880
P-5.....	3	do.....	15,750
P-5.....	1	Analyst.....	5,390
P-3.....	2	do.....	7,280
P-2.....	1	do.....	3,200
Total.....	9		44,500
CAF-5.....	1	Clerk-stenographer.....	2,430
CAF-4.....	3	do.....	6,432
CAF-3.....	2	do.....	3,870
Total.....	6		12,732
CPC-3.....	1	Messenger.....	1,638
Total.....	16		58,870

Mr. CANNON. How does this dovetail into your 1947 appropriation?

Mr. ANDRETTA. In 1947 we are submitting an estimate for this organization for only 16 persons, commencing July 1.

Mr. CANNON. So it is being reduced still further?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. Why could you not reduce it now?

Mr. ANDRETTA. Because of the fact that we have to give reduction-in-force notices, that is, 30 days' notice and pay terminal leave up to the 1st of July.

Mr. CANNON. Is there any conflict here with the FBI?

Mr. ANDRETTA. No, sir, there is no conflict with the FBI. The FBI makes all the investigations for Foreign Agents Registration.

Mr. CANNON. This is predicated on information which the FBI either furnishes or certifies to?

Mr. ANDRETTA. Yes, sir.

CURRENT OBLIGATIONS

Mr. TABER. What are your obligations under this set-up?

Mr. ANDRETTA. For the Criminal Division as such, we have had to give up \$89,000 in the regular Criminal Division appropriation to date toward the cost of Public, 106. That represented a saving of \$89,000.

As of April 22, when we transferred these positions on the Criminal Division roll, it created an overcommitment which comes to about \$20,092. That is the figure that we have and we have rounded it off to \$20,000. That is the exact deficit as of today for carrying these persons without leave to the 1st of July.

We have submitted a regular estimate for the year 1947, because it has been ascertained now that we will have to have a basic organization of 16 persons to carry on this work. That covers the Criminal Division.

OFFICE OF THE ASSISTANT SOLICITOR GENERAL

Mr. CANNON. The next item is for salaries for the fiscal year 1946 for the Office of the Assistant Solicitor General, \$10,210. There was previously appropriated \$154,350.

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. You are asking this money to make payments for accrued leave to the credit of deceased employees in the amount of \$2,818 and \$7,392 is required to cover the salary from April 22 to June 30, 1946 of 10 employees who constitute the present staff of the Federal-State Relations Section.

Tell us about this, Mr. Andretta.

Mr. ANDRETTA. That again grew out of the dissolution of the War Division. This is one of the functions that is going to be carried on permanently and this staff was taken over in toto to carry on that work. It is a small staff of 10 persons.

Mr. CANNON. Are you expecting to carry them through 1947?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. And have you submitted an estimate for this purpose for 1947?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. For the full number?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. What are the functions of the Federal-State Relations Section?

Mr. ANDRETTA. It is an office that has been serving very successfully during the war. It clears with all the State governments and legislatures and attorneys general of the various States. Legislation that is of interest to all the States and the Federal Government. It is a sort of liaison office between the Federal Government and the States and provides very valuable information in clearing away certain barriers—this was particularly true during the war—where they needed uniform legislation. The Attorney General has found that it is performing such a very valuable service, and it seemed that a great number of persons in the Congress were interested in the work and very pleased with the results, so that he decided it was something that should be carried on.

Mr. CANNON. Have you anticipated these 10 positions?

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. And you already have them on the pay roll?

Mr. ANDRETTA. They have been on for about 5 years.

Mr. CANNON. How have you been financing their pay?

Mr. ANDRETTA. It has been coming out of the War Division appropriation.

Mr. WIGGLESWORTH. You have had \$154,350 already, have you not?

Mr. ANDRETTA. Yes, sir.

Mr. WIGGLESWORTH. And that compares with \$119,000 that you are asking for 1947?

Mr. ANDRETTA. Yes, sir; because we have made a transfer in the Department. The legislative unit is coming out of this office and going to the Assistant to the Attorney General's Office. It is a book transfer.

Mr. WIGGLESWORTH. How much have you spent of the \$154,350?

Mr. ANDRETTA. There is a balance of \$836 only. That is an ascertained actual encumbrance and you will see in the justifications a mathematical calculation of the situation in this appropriation item.

Mr. WIGGLESWORTH. Have you already furnished a list of balances in other appropriations?

Mr. ANDRETTA. No; but we have been asked to do so and are going to put that in the record.

Mr. WIGGLESWORTH. That is all.

OFFICE OF PARDON ATTORNEY

Mr. CANNON. The next item is for personal services, fiscal year 1946, for the Office of the Pardon Attorney, \$392. We provided in the regular bill \$32,900 for this office. This is submitted as a prospective deficit in pay roll.

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. Why should you incur such a deficit?

Mr. ANDRETTA. Because every year we estimate for the full amount to carry these nine persons in this organization and anticipate there will be certain lapses. Then there are automatic promotions for which no provision is made and we were hoping to absorb that. We have been successful every year in taking care of this small office under the 5-percent transfer clause. We were able to take care of the \$300 or \$400 that it has run every year. But without the transfer clause this year it is impossible to take care of it and it so happens that these nine people have worked the full year. Mathematically it just comes out that we are short \$392.

Mr. CANNON. Could you not have administratively avoided this deficiency without running counter to the spirit of any law? This is such a very small amount.

Mr. ANDRETTA. It could have been done if we had put somebody on leave without pay for a few weeks. But there again we would have lost certain services in such a small office and it seemed like poor economy. We have always been able to take care of these items under the 5-percent transfer clause, and it was the basis for that transfer clause. The committee has recognized this problem and for next year they have lumped together these smaller appropriations to avoid the very thing that we are here on today.

Mr. TABER. I have no questions on this item.

PRINTING AND BINDING

Mr. CANNON. We have a request before us for an additional amount for the fiscal year 1946 for printing and binding of \$100,000.

Mr. Andretta. Yes, sir.

Mr. CANNON. There has been previously appropriated \$400,000, which would mean a total for the year of half a million dollars.

Mr. ANDRETTA. Yes, sir.

Mr. CANNON. I note in your justification you list the agencies that need this money. How do you account for this rather large discrepancy, Mr. Andretta?

Mr. ANDRETTA. Mr. Chairman, this appropriation is one of our uncontrollable appropriations. It depends on the amount of litigation, the type of case, the number of briefs and records we have to file, and the printing cost for them; the fingerprint cards and forms for the FBI, and certain forms for the Immigration Service, and so forth. It covers the whole printing item for the Department. We have had appropriations as high as \$750,000 for this item.

Every year we cut it down in the hope that we can stay within the estimate, but it has gotten too low now. In other words, this is one of those places where we make cuts hoping that we can come out and if it does not work out that way, we have to come back for a deficiency appropriation. We have to come back every year on this item. We try to hold it down as much as we possibly can. We have a central control on it, what there is of it that is controllable. But you cannot control the number of briefs and the records and the cases.

Mr. CANNON. You list on page 9 the estimated additional requirements. It is a rather long list and it runs all the way from nearly \$50,000 down to \$100. And your total obligation items run from \$171,000 down to \$3.

Mr. ANDRETTA. That \$3 item is the purchase from the Superintendent of Documents of the President's message, which was probably required in one of the legal divisions. We have to buy that from the Government Printing Office.

Mr. CANNON. For 1947 you have been provided \$475,000 for this activity. You are asking to have \$500,000 this year. Could you not have pared this down so that you would spend no more than the amount estimated now for 1947, \$475,000? Could you not have made this estimate \$75,000 instead of \$100,000?

Mr. ANDRETTA. We could, and then we would have to come back. We do not know what bills we are going to receive between now and the end of the year. As a matter of fact, we estimated \$150,000 the way we were running, and the Budget put it at \$100,000. They are making a guess, just as we are. But we just have to pay the Government Printing Office what the bill amounts to.

Mr. CANNON. You are exercising every care and making every effort to reduce this expenditure?

Mr. ANDRETTA. Yes. We have turned the FBI down and the Immigration Service on some very important forms that they feel they ought to print this year. We have just said, "No, you cannot do it, because you have got to keep this thing down as far as you possibly can." We have cut out everything we can cut out, but right now with the bills on hand, we have a deficit of \$72,515 and we have still the rest of the year to go with the courts winding up and with all these briefs and records in the Supreme Court to take care of for the rest of this year.

Mr. TABER. The largest part of this seems to be for briefs.

Mr. ANDRETTA. And records.

Mr. TABER. And records, yes. That seems to be an enormous figure. How much was that last year?

Mr. ANDRETTA. We had over half a million dollars available last year and I know we spent it all, for printing and binding. The briefs cost \$263,006.

Mr. TABER. Some of these lawyers write briefs as though they were being paid by the yard and they are not generally as effective with the Court as they would be if they were more pointed, more concise, if they told their story in fewer words.

Mr. ANDRETTA. You understand the Court will order the brief filed and we have no choice.

Mr. TABER. Surely, but they do not have to be any longer than is absolutely necessary to tell the story.

Mr. ANDRETTA. The new rules are going to correct a lot of that. The new rules say that you can file a record or a brief in typewritten form instead of having it printed. That will probably help a great deal. But up to now they have insisted on those being printed, and the Court Clerk orders the printing, and then they come in to us, and we have to get it printed.

Mr. TABER. That is all.

SALARIES AND EXPENSES, LANDS DIVISION

Mr. CANNON. We have an item for the Lands Division for an actual deficit for the fiscal year 1942 under "Salaries and expenses, Lands Division," \$408.89. Was there a balance sufficient to cover this amount when the appropriation lapsed?

Mr. ANDRETTA. No, sir.

Mr. CANNON. And you require the entire \$408.89?

Mr. ANDRETTA. Yes. Those are settlements made by the Comptroller General. They are bills that have been submitted very late by appraisers.

FEES OF WITNESSES

Mr. CANNON. We have an item before us for fees of witnesses, \$63,500. You need that in addition to the amount previously appropriated, \$700,000. I do not suppose there is very much that can be done about this and you have a very conclusive statement on the subject on page 10 of your justification.

Mr. ANDRETTA. That is correct. This item has been as high as \$1,500,000. We have cut down every year. Last year, for example, we turned back \$156,000.

Mr. CANNON. It is just a question of how many witnesses you have and the kind of witnesses?

Mr. ANDRETTA. Yes; and the kind of witnesses. It all depends on how much travel they have to do, how many days they are in court, and so forth.

PAY AND EXPENSES OF BAILIFFS

Mr. CANNON. You have an item for pay and expenses of bailiffs of \$20,000. The same situation holds here as in the previous item.

Mr. ANDRETTA. That is right, sir.

Mr. CANNON. You had previously appropriated for this item \$224,000.

Are there any questions on this, gentlemen?

Mr. TABER. No questions.

ADMINISTRATIVE DIVISION

Mr. CANNON. We are given to understand that you have another item to present, the document for which has not yet come to the committee. What is that, Mr. Andretta?

EDITOR'S NOTE.—The item has been submitted in House Document 606.

Mr. ANDRETTA. That is a deficiency for our own division, the Administrative Division, of \$7,500. That is due to payments for terminal leave. We have had to pay out some \$14,000 for terminal leave

and overtime for which we had no provision. I have had to dismiss 40 persons, but we still could not make it.

Mr. CANNON. It is a statutory requirement; you have no choice in the matter?

Mr. ANDRETTA. That is right.

Mr. CANNON. When they are separated from the service, they must be paid?

Mr. ANDRETTA. That is right. Again here, if we had the transfer clause, we would have been able to take care of it, but we did not have it this year so we could not do it.

Mr. CANNON. Thank you, Mr. Andretta.

Mr. ANDRETTA. Thank you so much, Mr. Chairman.

THURSDAY, MAY 23, 1946.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

STATEMENTS OF HON. JOHN BIGGS, JR., SENIOR UNITED STATES CIRCUIT JUDGE, THIRD CIRCUIT; HON. JAMES W. MORRIS, ASSOCIATE JUSTICE, UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA; ELMORE WHITEHURST, ASSISTANT DIRECTOR; AND JOHN C. BROWN, BUDGET OFFICER

PROBATION SYSTEM

Mr. CANNON. We have three items here of about \$98,500 for the Administrative Office of the United States Courts, which are contained in House Document No. 552.

First is the probation system, United States courts, \$20,000. There has been made available heretofore \$1,398,000. Why the need for this additional \$20,000?

Mr. WHITEHURST. Mr. Chairman, we thought that we could absorb about \$50,000 of the cost of the increased pay brought about because of Public Law 106, but we find now that we cannot absorb quite that much. We overestimated it by \$20,000.

The reason for that is that the probation officers have been returning from military service much more rapidly than we anticipated. Nearly a third of the probation officers were in the military service. They have come back at increased salaries over those that they were receiving at the time they went into the service, and usually at greater salaries because of their length of service, than those of the officers who replaced them while they were in military service. In addition to that, we have had to pay for the accumulated leave of those who were being replaced by the returning veterans.

Mr. CANNON. And those who were performing their services were promptly dismissed?

Mr. WHITEHURST. In almost every instance.

Mr. CANNON. There is no overlapping of salaries of those who were here and those who have returned?

Mr. WHITEHURST. Almost none.

MISCELLANEOUS SALARIES

Mr. CANNON. Then miscellaneous salaries is the next item. I see that here you also ask for an additional \$20,000 over the \$1,485,000 provided for this purpose. Why do you need that amount?

Mr. WHITEHURST. The same situation applies with respect to that. We tried to absorb \$234,800 of the Pay Act costs which amounted to \$319,800, but that was a little more than we could absorb.

Mr. CANNON. What was it that you failed to estimate properly? What item occasioned that failure to absorb the entire \$20,000?

Mr. WHITEHURST. One reason has been that the number of law clerks to judges has been very uncertain. Law clerks have been difficult to get. During the war many judges were not able to find law clerks, but since the war they have been appointing them more rapidly.

Mr. CANNON. They have been getting them more quickly than anticipated?

Mr. WHITEHURST. Yes.

NEED FOR DECISION OF COMPTROLLER GENERAL ON TERMINAL LEAVE
FOR SECRETARIES AND LAW CLERKS OF JUDGES

Mr. CANNON. I see that \$10,000 of this is contingent upon the Comptroller's decision.

Mr. WHITEHURST. That is correct.

Mr. CANNON. Can you not hurry that up? Why the delay?

Mr. WHITEHURST. We have done all we can, Mr. Chairman. I have telephoned the Comptroller General's office as many times as I felt that it was within propriety to call him.

Mr. CANNON. Why the delay?

Mr. WHITEHURST. I think that they are having difficulty deciding the question.

Mr. CANNON. When was a decision first applied for?

Mr. WHITEHURST. December 5, 1945.

Mr. CANNON. They have had from December 5, 1945, to May 23, 1946, and yet they have not given you an opinion?

Mr. WHITEHURST. That is correct.

Mr. CANNON. Something is wrong down there.;

Mr. TABER. I would think that the gentleman ought to tell the Comptroller's office that he was requested by this committee to say that we hope they will make a decision right away.

Mr. CANNON. You call them up and tell them that is the request of this committee—that we have a decision up here within 2 days, in order for us to write this bill.

Mr. WHITEHURST. Yes. However, there is this to be considered. Even if they hold that the leave laws are not applicable to secretaries from this time on, it may be that they will hold, that up until the time their decision is rendered, those secretaries and law clerks who have separated from the service are entitled to payment for their leave, in which case we would need the \$10,000.

Mr. CANNON. Otherwise you would not need it?

Mr. WHITEHURST. That is right.

Mr. CANNON. You tell them that the committee needs the information and that we would like to have it within 2 days.

Mr. WHITEHURST. Yes.

COURT REPORTERS

Mr. CANNON. Now, there is \$58,500 for court reporters in 1946, which is a rather large amount. We have already given \$700,000. Why so large an amount?

Mr. WHITEHURST. This is the first year in which an appropriation for court reporters has been made. The appropriation became effective July 1, 1945. Our estimate was \$815,000, and the Appropriations Committee, on the theory that the appointments would not be made promptly, cut our estimate to \$700,000 and made an appropriation of \$700,000. Their estimate was off by about \$58,000.

Mr. CANNON. We thank you gentlemen very much.

THURSDAY, MAY 23, 1946.

FEDERAL WORKS AGENCY

STATEMENTS OF MAJ. GEN. PHILIP B. FLEMING, ADMINISTRATOR, FEDERAL WORKS AGENCY; ERNEST E. HALL, EXECUTIVE OFFICER; D. E. A. CAMERON, BUDGET OFFICER; GEORGE H. FIELD, COMMISSIONER, BUREAU OF COMMUNITY FACILITIES; PERE F. SEWARD, DEPUTY COMMISSIONER FOR ENGINEERING; MRS. MARY G. MOON, DEPUTY COMMISSIONER FOR SERVICE PROJECTS; AND WALTER H. DUNCAN, DEPUTY COMMISSIONER FOR ADMINISTRATION

BUREAU OF COMMUNITY FACILITIES

Mr. CANNON. General Fleming, we have an estimate here in House Document No. 589 for the Bureau of Community Facilities, for an additional \$50,000,000 which, with the \$30,000,000 already appropriated, would give you \$80,000,000.

BASIS FOR ESTIMATES

I note that the grounds on which this additional amount is asked are that it is needed for advance planning and it is provided that it shall remain available until June 30, 1947.

On April 30, 1946—I believe that is the last day on which we had statistics available—all but \$33,831 had been apportioned among allottees, and \$25,766,393 of advances within apportionments had been approved, leaving \$3,336,606 for further advances.

I see that according to your justifications you expect to have that down to \$1,551,350 by June 30, 1946, the end of the fiscal year.

That would leave you 2,504 applications unfilled on April 30, 1946, with estimated cost of construction pursuant to advances approved through April 1946, of \$1,084,864,000.

The estimated cost of construction in consequence of the pending estimate would be \$1,500,000,000.

This is rather a substantial amount, General Fleming, \$50,000,000. Will you give us an explanation of just why it is required?

General FLEMING. I think I will ask Mr. Field to give you most of the justification, Mr. Chairman. I have been out of the country for a couple of months. At the request of the President, Mr. MacDonald and I went to India to advise the Indian Government on their highway system. While I was there, I acquired some kind of a skin infection. So, for the last 2 weeks, I have been in the hospital and I just came out this morning.

You have stated the situation very adequately.

Mr. Chairman, I have a statement in the form of a letter to you, that I would like to put in the record, if I may.

Mr. CANNON. You may submit that.

General FLEMING. I want to make it clear that these estimates are not to provide for any deficiencies that we have created. They are for funds that we need to carry on in 1947.

Mr. CANNON. It is really a part of your 1947 program?

General FLEMING. That is really what it is, and I would like to have you look at it that way and not as any deficit that we have created by bad management. We have conserved our funds.

Mr. CANNON. It does not indicate any modification in your policy or plans?

General FLEMING. No, sir.

Mr. CANNON. You are merely going ahead with your 1947 plan as heretofore submitted to the committee?

General FLEMING. That is correct, sir. May I put this letter in the record?

Mr. CANNON. It may be included at this point.

(The matter referred to is as follows:)

FEDERAL WORKS AGENCY,
Washington 25, D. C.

HON. CLARENCE CANNON,
Chairman, House Committee on Appropriations,
House of Representatives, Washington 25, D. C.

MY DEAR MR. CANNON: Having in mind the repeated admonition of the House Committee on Appropriations that Federal agencies operate their programs not only within their appropriated funds, but that they operate in such a manner and at such a rate that they will not incur deficits, the several activities of the Federal Works Agency for which funds are customarily provided on an annual basis have been carefully reviewed prior to the start of the fiscal year 1947.

Sound administration requires that such a review be made, as conditions and programs are quite susceptible to change during the long period which elapses from the time that the regular formal estimates on which annual appropriations are based are submitted to the Bureau of the Budget and the start of the fiscal year.

As the result of this review, I recently submitted to the Bureau of the Budget a number of estimates of appropriations reflecting such changes in conditions and programs as had become apparent would cause expenditures or rates of expenditure to exceed those previously provided for during the fiscal year 1947.

The President has sent to the Congress a communication which transmitted several of these supplemental estimates which in turn have been referred to the House Committee on Appropriations for its consideration.

Before taking up each of these estimates in detail, I take this opportunity to point out that none of them are to cover deficiencies for the fiscal year just ending and to emphasize that the objective in presenting them at this time is to avoid deficiencies in meeting the altered requirements which have become apparent since the appropriations were made.

Of the eight estimates which are before you, three are in the nature of regular annual appropriations for the fiscal year 1947, estimates for which have been purposely deferred until the last possible moment so as to reflect the latest conditions on which to base programs and objectives for the fiscal year. These provide for—

(1) Continuing the availability of funds for the completion of projects originally undertaken by the now extinct Public Works Administration;

(2) Continuing the program authorized to encourage planning of non-Federal public works under title V of the George Act;

(3) Administrative provision for closing-out the affairs of the community-facilities program.

Two of the estimates provide for continuation of activities during 1947 for which current appropriations will expire June 30, 1946. These are for:

(1) Continuing the financial assistance to schools under title II of the Lanham Act;

(2) Provision for allowances to veterans under the decentralization program which has previously been financed from the Emergency Fund for the President.

Two of the estimates are to provide additional funds during 1947 for activities previously authorized, appropriations for which have been found to be inadequate to meet 1947 requirements. These are for:

(1) Continuing the construction of the west central heating plant;

(2) Expense during 1947 in connection with the operation of the Denver Federal Center which was established and taken over late in 1946.

One estimate is for a new activity—the continuous survey and control of space occupied by Federal agencies which was directed by the President by memorandum of April 3, 1946.

Of the estimates listed above, the three for the Bureau of Community Facilities are before you for discussion today in connection with the current urgent deficiency bill. The others will be the subject of early discussion in connection with the third deficiency bill.

The fact that further changes in conditions are not unlikely and the further fact that not all of the changed conditions which have been anticipated by the Federal Works Agency have been completely covered in the estimates now before you, prompt me to point out to you that it appears at this time that it will be necessary for me to request further considerations at some time during the fiscal year 1947.

I have with me today members of my staff and the Commissioner of Community Facilities who is prepared to discuss with you the details of the estimates for activities under his immediate direction. I assure you that the funds and programs assigned to the Federal Works Agency, and in turn to our constituent units, will be administered properly, efficiently, and expeditiously.

Sincerely yours,

PHILIP B. FLEMING,
Major General, United States Army,
Administrator.

GENERAL STATEMENT

Mr. CANNON. We shall be glad to hear Mr. Field at this time.

Mr. FIELD. We have been before the committee three times on our advance planning program. We started off when the war was still on, with the first appropriation of 12½ million dollars, and then last December we received another 17½ million dollars, to make a total of 30 million dollars.

It was wise to start off slowly because of the fact that while the war was still on there was some difficulty in some areas in getting architects and engineers. The program got under way very well, however. There were some people in some of the communities that thought that this was preliminary to grants for construction, and we had a real task, as you know, of dispelling that thought. The law itself says that there is no commitment on the part of Congress to help finance construction.

Last December, in the deficiency bill, you emphasized this by providing that no loan shall be made or participated in by any Federal agency for the construction of any public works, plans for which have been wholly or partly financed out of this appropriation, except in pursuance of specific authorization.

That also put a brake on the people who thought that we were helping them plan something for which later on they were going to get Federal money to aid construction.

We had to set up, within our own organization, provision for clearance with the local communities to make reasonably sure that they could finance the construction of projects. That meant that there was a little delay in getting the program fully under way. Some people came to us and said, "If you are not going to help us finance the construction, we do not need an advance."

PURPOSE OF THE ADVANCE PLANNING PROGRAM

The whole purpose of this program was to encourage the preparation of plans by advances to local communities who did not have the capacity to do the planning in advance of selling their bond issues.

Mr. CANNON. But did have the resources with which to finance their effort, once it was planned?

Mr. FIELD. Yes; they must have the capacity. I think we have carried out that part of our program very prudently.

REPAYMENTS OF ADVANCES

The program has gone now to the point where we are beginning to get repayments of these advances, in a few projects, where they have started construction. One typical project was in a little town in Florida. The mayor recently talked to me about it. We made an advance to plan a water system. At that time they did not know whether they were going to be able to build within 6 months or a year. They had to float revenue bonds before they could actually start construction. We advanced about \$5,000 to plan the system. They completed the plans in February and then by April 1, there was a tremendous expansion of housing in that area and they had to go right ahead with construction. They were able to make a much better arrangement with the private bond firms for revenue bonds, because the plans were complete. Now they have paid us back.

We are starting to get repayment on other projects.

Mr. CANNON. Have there been any instances in which repayment was due and has not been made?

Mr. FIELD. No, sir. We have had no such situations. There has been a little slowing up, during the last 6 months, in the completion of these plans, mainly because, as you remember, we adopted a policy, when we approve these advances, that we would only issue a check for half of the amount, and the other half we would not pay until the drawings and specifications were complete. We put that restriction in our regulations because we felt that if the community had actually completed the plans up to the point where a contractor could put firm bids on it, they would be in a much better position to go ahead with the project. The work preliminary to construction would be complete.

PLANS ALREADY COMPLETED

Plans have been completed for about 180 of the 3,600 projects on which we have advanced Federal funds. There is another thing about our program that I think is quite significant. In the past, a great deal of the public work was planned by the people employed by the community, the engineers and the architects on their own staff. These public officials would work out plans on a sewage-disposal plant

or a water-filtration plant or a school building up to the point where they would have to go out and hire outside architects or engineers to complete the plans.

Of the 3,600 projects we have approved to April 30, over 3,000 are being planned by private architectural and engineering firms. That is an action of the local people themselves. It is not anything that we have required, but it was done in order to do the job that was necessary without increasing public employment.

Our own records here show that we will not spend about \$1½ million of our present money by June 30. There are two or three reasons for that.

ABANDONMENT OF PROJECTS

Mr. CANNON. Just before you take that up, have there been any instances where you have advanced the money, and they have gone ahead and completed the plans, but have abandoned the project?

Mr. FIELD. We have had some instances where we gave a preliminary or initial advance, and plans were started, but it was then found that they wanted to abandon the project, and the money was paid back to us.

Mr. CANNON. And you have lost no money on that account?

Mr. FIELD. We have lost no money on that account at all.

Mr. CANNON. This money is repayable on the beginning of construction?

Mr. FIELD. Yes, sir.

Mr. CANNON. What action do you take in case of complete abandonment?

Mr. FIELD. We have not had any of those cases yet. I do not believe we will have very many. But if it came to that point, we would have to say that it was an obligation that they owed to the Government which should be met. But so far the attitude of the local communities and of the State Governments has been very fine.

Mr. CANNON. And where you have discontinued, they have repaid?

Mr. FIELD. They have gotten the money out of their general taxes or some other place and repaid the advance.

Mr. CANNON. And always you impress upon them the fact that this money does not commit the Government in any way to any assistance in construction?

Mr. FIELD. That is exactly right.

Mr. CANNON. They all understand that we are merely helping them to plan, and that the money is to be repaid to the Government ultimately and that the Government is donating nothing?

Mr. FIELD. That is correct.

Mr. CANNON. And that under no circumstances is the Government to assist in construction.

Mr. FIELD. I think some of these tables that I have here will show that the local officials recognize that by the kinds of projects that we have been helping them plan.

STATUS OF ADVANCES TO PUERTO RICO

Before we get to that, I want to make this one point, why we have not used up all of the money. Even though we have a big backlog of applications, we have about \$365,000 of our funds earmarked according to the law in Puerto Rico. We have not approved any advances there for the simple reason that during the war, the insular government received money from the rum tax, which was a Federal

tax. They have a large reserve of cash. The insular government has taken over some of the sewer and water and school construction that formerly the municipalities had responsibility for.

When this bill originally was passed in the House, Puerto Rico was not included. That was added later on. It is our feeling, even though the law sets that money up, that we should not advance funds to a few small municipal projects when most of the public works in Puerto Rico now can be handled by the insular government.

STATES IN WHICH NO ADVANCES HAVE BEEN MADE

We also have about \$750,000 in New York State that we have not used. That is because of the fact that about 2 years ago, they set up a State fund to help make plans in advance on a grant basis. That law was peculiar in that State, because it gave the local communities authority to issue special obligation bonds of some sort, to match the money of the State Government and that program, therefore, has been able to meet the present demand.

We also have a few other States, like Delaware, Iowa, Nebraska, Wyoming, and South Dakota, where we have not used the full amount apportioned to them. That is mainly because in most of these central Western States, during the war, the population went down, and their demand for public works in the future will not be as great as they are in areas where the population has expanded. We feel that that indicates that we are not putting the money into places where it is not needed or where the problem has been met locally.

BACKLOG OF APPLICATIONS

There is a table on page 6 of our presentation that gives a summary as of April 30, which shows we have a backlog of about 2,500 applications under review, in which they have requested \$32,000,000 from us for plan preparation. Of those 2,500, we have completed the engineering review on 619, for about \$7,200,000.

That means that we are sure that of the \$32,000,000 requested as of April 30, 1946 there is \$7,000,000 on which construction can be financed. We are ready to approve these requests, but are held back because we do not have the funds to apportion to them. This review is continuing and it is expected that by June 30, 1946 we will have ready for approval about \$12,000,000 of advances out of the \$32,000,000 requested.

There are a few other tables here to which I would like to call your attention, because they summarize the situation very clearly.

DISTRIBUTION OF ADVANCES BY SIZE OF COMMUNITIES

On page 16, we show the distribution of the money by the various sized communities within a State. When we started this program, we soon found that a lot of the requests came from many of the larger cities. In Missouri, for example, we had requests from St. Louis that would have taken up all the money allocated to the State. We felt that in order to accomplish the purpose of this program we should spread it around.

This table shows that of the \$25,900,000 obligated on April 30, the State departments and State agencies had received \$1,778,000, the rural counties and small communities of under 10,000 population had received \$6,183,000. This rural group of communities we felt needed

more help than the others, and if we could increase the amount there, we would meet a big demand.

The next group are those counties which contained cities from 10,000 to 50,000. Six million dollars was allotted to that group. Two million dollars was allotted in the group from 50,000 to 100,000; and \$9,800,000 in the counties that have cities of over 100,000 population.

Mr. TABER. Are your allotments made to counties or towns or what?

Mr. FIELD. They are made to individual communities. But what we do is to set up a sort of a budget unit so that all of our money does not go into one spot. We have budgeted it by all the communities in these groups of counties. That was an administrative determination of our own, to try to get it spread into areas where they did not have the architects and engineers on their own staff.

METHOD OF FINANCING CONSTRUCTION BY COMMUNITIES

On page 22 is a table that shows the method by which the communities intend to finance the proposed public works that we have helped them plan.

When plans are completed, the \$25,000,000 will represent about \$1,000,000 of public works. And this table shows where they intend to get the funds for construction.

The cash on hand represents land that they own, and the main reason that that seems high is because of the fact that our requirements are that we will not advance money to plan a building or a school or a courthouse, or any project of that kind, unless they have selected a site and really know where they are going to be located, because if they have not gone that far, it might just be a dream.

The table shows that they expect to get some money from tax receipts. The major amount is to come from bond issues. Some of the bond issues are already authorized as of April 30. About 850,000,000 of the billion-dollar program will be financed through the floating of new bond issues.

ABILITY OF COMMUNITIES TO FINANCE PUBLIC WORKS

We have found that the State and local governments are in much better shape to float bond issues for public works than they have been for a long time.

It is very interesting to note that in the last 4 war years, the communities could not build public works except those that were needed because of the war, and they went back and refinanced a lot of the public works bond issues that they had at 4, 5 and 6 percent interest, and went into a refinancing plan, getting the interest down to 1½ and 2 percent. And now their new bonding capacity is much greater. So we find that the firms which buy municipal bonds, either revenue or general obligation bonds, give them a much better rating, if the plans and specifications are complete.

Mr. WIGGLESWORTH. What is that last column, "Other sources"?

Mr. FIELD. The column headed "Other sources" includes miscellaneous sources of revenue. For example, some of the communities on water projects are not always sure whether they are going to get all the money from revenue bonds. They get money from private industries where there happens to be a large concentration of certain industries which may make cash payments to the city to help put in a sewer system or a water system, if it is partly for their own industrial purposes.

There are other places where they are not sure whether they are going to get all of the money from general-obligation bonds, or from revenue bonds, and they have shown the costs in the column under "Other sources" an amount of money that totals \$89,000,000.

Mr. CANNON. And in one case it is a legacy.

Mr. FIELD. In some cases there are donations particularly for hospitals. A great many seem to be combining their private and the public hospitals, especially throughout the Southern States, and there they get donations from certain groups.

This is the best information we have from our documentation. After they complete the plans and when we make the final payment to the local community, then we will have a much better record of exactly what source of funds will be used to finance their construction.

An example is the project I mentioned in Florida where they have already paid us back. When that came to us, they were not certain where they were going to get the money for construction, but they found when they had the plan completed, they could issue revenue bonds.

A great many communities have found that revenue bonds are a much better way of financing sewer and water facilities than any other type, because in that way the cost is paid by the people who get the direct benefits.

Mr. CANNON. And there is no obligation upon the property owners?

Mr. FIELD. As a matter of fact, our experience in the last year or so has been that most of the communities are getting away from special-assessment bonds, although some of them indicate they are still using that process.

DISTRIBUTION OF ADVANCES BY STATES

On page 24 the table shows the break-down by States and the break-down of the cost of construction. The interesting thing there is the total cost of the plan preparation of \$33,000,000. We had advanced \$25,000,000. That combined program will complete the construction of \$1,084,000,000.

Now, that is important, because you will remember that when we started this program we thought that it was going to cost about 4 to 5 percent of the total construction cost to get the planning done. But the projects that the local communities have selected are the ones on which they have done some preliminary work with their own engineers and architects, and they paid for planning about \$8,000,000 through their own resources. What they have asked us for is the balance to complete the plans.

Out of the money already appropriated, we will have completed plans for a larger program than we anticipated.

You remember we originally came with a request for \$124,000,000 for planning advances.

On the next page, page 26, there is a break-down similar to the other one of the requests that we now have under review. As I said before, we have already reviewed 619 of those 2,500 requests, amounting to \$7,200,000 for advances. The other requests we are still reviewing as they come in. We think that the appropriation estimate of \$50,000,000 will provide an additional \$1,500,000,000 of public works, which added to what has already been planned with our advances, and what has been planned with their own local funds will give us a reservoir of $3\frac{1}{2}$ billion of public works that we are trying to achieve.

DISTRIBUTION BY TYPE OF PROJECT

On page 28 there is a table that shows this program by type of project. The significant thing in this table is that this break-down by type is the result of the request from the local people and the States. We do not influence them and say, "You cannot have money for this kind of project, or you should have it for another." But it shows that we have stayed away from highways, roads, and streets mainly by our own regulations. The Public Roads Administration through the Federal-aid highway program and the States' highway program should take care of most of such projects. The roads, streets and highways, for which we have made advances are mainly city streets, some city bridges and some county work that is not within the Federal-aid program. It shows that the big bulk of this problem is in sewer, water, and sanitation, as well as schools and educational facilities. Those are the kinds of projects that the local communities can finance.

As I said before, they can finance them through revenue bonds and through general obligation bonds.

The school programs generally are handled through general obligation bonds. There has been a hold-up on the actual construction of schools because of the shortage of material for housing, but there is a tremendous demand for additional school facilities. Most of the communities have the bonding power to float bonds for that work.

On page 30 are shown the projects on which plan preparation has actually been completed, and I think during the month of May we will probably complete plans on an additional 100 or so projects. This number will increase each month.

We were somewhat apprehensive of the fact that perhaps the completion of plans was being retarded by requiring too many things in the completed plans. However, I made a personal review of that in a couple of our field offices. I found that when the plans are completed by an architect or an engineer and the communities send them into us for final payment, we have to tell them many times that additional information is needed. We sometimes have to tell them that they have not completed the take-off of the quantities, or they have not completed the plans to the point where they could actually let a contract. Most of them welcome our suggestions in that regard, and now we believe that the plans will be complete and ready for use.

Page 32 shows the break-down of the applications received; the advances approved, and those in review. Whenever we start running out of money, the volume of applications begins to drop off, but on an average, we have been getting applications at the rate of \$5,000,000 per month.

We think that the job that we have ahead for the next year would require that we have available at least \$50,000,000.

We arrived at that in this way: We soon discovered when we started this program that we had to find out what the local communities were planning on their own. We found, after a very careful review, that there had been plans completed for about \$960,000,000 of public works. But 40 percent of that was in New York State alone, and of that about half of it was in the city of New York. We found that in the smaller communities where they did not have architects and engineers on their staffs, they were still holding back. We found when the war was over that architects and engineers came back to the communities and they were beginning to do some preliminary planning on

their own. We made a review of that and found that they had about \$3,500,000,000 to \$4,000,000,000 of public works on which they, themselves, were starting to make some preliminary plans. Their difficulty was in getting them completed to a point of letting contracts.

GOAL OF THE PROGRAM

We think that we should have in this country a reserve of completely planned public works of about \$5,000,000,000. That is the goal for which we have been striving for some time.

The highway program will take care of about \$1,000,000,000 of that a year. That leaves \$4,000,000,000; and probably \$500,000,000 will be Federal public works, in which we have no part. We think that if we could get \$50,000,000 to take care of getting another \$1,500,000,000 of State and local public works completely planned, and put it into all of the communities throughout the country, then they will be ready, when men and materials become available, to start construction on about 3½ billion dollars of State and local public works—the normal annual rate.

We are not encouraging them to start construction at this time. As a matter of fact, I think there are only certain kinds of public works that should be constructed at this stage. Private construction has taken most of the men and materials. Most of the available materials and skilled mechanics are necessary for housing and repair work on commercial and industrial plants. That should not be interfered with.

On the other hand, there are some kinds of public works that will need to move forward in connection with the housing program. That is mainly for sewer, water, and school projects.

I think these records show that the local people recognize that and they are getting ready to build those types of public works with their own funds, because they are the kind that they will have to start constructing first.

ABILITY OF LOCAL COMMUNITIES, ETC., TO FINANCE PUBLIC WORKS

Mr. CANNON. You think that they will require Federal assistance and cooperation, or do you not think that if they were turned loose as soon as men and material are available, they could go ahead without Federal cooperation?

Mr. FIELD. I think that they will go ahead because of the fact that they have the capacity. I think that the Federal Government during the war has taken on a big burden itself. The local and State governments are in better shape financially than they have been in a long time. We know that so far as the State government's projects are concerned, if the money is not already appropriated and if their legislatures meet next January, they will be able to appropriate, because they have the capacity.

EFFECT OF REDUCTION IN PROGRAM

Mr. CANNON. In those circumstances, do you not think we could afford to taper off this program?

Mr. FIELD. We think the planning part of it should not be tapered off, for various reasons. One of them is that they are not going to

be able to go ahead with that construction. When they cannot go ahead with their construction, they do not get the local cash to go ahead with their planning. When they are going ahead with construction, they are selling bonds, starting work, and they are having the cash in their own local communities to move ahead with.

At that time private engineers and architects will do a certain amount of this planning work on the cuff. But here you have a condition where the Federal Government is saying to these communities, "You cannot go ahead with this construction. We need the materials and the manpower for private housing." But I think that we ought to encourage them to complete the plans and be ready for construction as soon as materials and labor are available.

Where a community knows that it is going to build some schools and they have the bonding capacity, I do not think we should tell them to go and sell bonds now but then not permit them to start construction for a year or two. It would cost them money during that period for interest on their bonds. We should be able to tell them that we will give them an advance to complete plans during this period, and then when they can get the manpower and the materials to start construction and then pay us back.

Engineers and architects who normally are engaged in local public works, do not get the money that they normally would get for supervision of construction because the construction of that kind of work has not been going forward. Ordinarily this provides them an opportunity to get credit to complete the plans.

Mr. CANNON. Now, the money up to this time has been allotted, under the law, to States. It has been allotted in accordance with the statutes.

Mr. FIELD. That is right.

Mr. CANNON. That being true, there would be no State that would suffer any disadvantage, any individual disadvantage, from our failure to appropriate this \$50,000,000 if the committee should decide that in view of the condition of the country it is not advisable to make the appropriation of \$50,000,000 for this purpose at this time.

Mr. FIELD. There would be no discrimination, that is true. But I think that you would be telling them that they cannot go ahead with their plan preparation which up to this time has been encouraged by the Federal Government. Furthermore, the authorizing legislation approved by Congress only lasts until June 30, 1947.

The State and local communities are expecting this appropriation or some appropriation, to be made within that time, and I think it would be unfortunate to stop this program now.

Mr. CANNON. You said just now that you had ahead of you \$1,500,000 of construction. It was my understanding that you were making an estimate now for a shelf of \$2,500,000,000.

Mr. FIELD. \$3,500,000,000.

Mr. CANNON. If that is true, it is reasonable to suppose that they gave priority to the most urgently needed projects, and the work that you now have under way and started is the most urgently needed. How much is there under construction at this time—the total?

Mr. FIELD. The projects for which we have actually advanced money provides for public works costing \$1,000,000,000, but the most urgent projects are not necessarily the ones that are planned.

PROJECT TO BE PART OF OVER-ALL PLAN

There is another requirement in our law that before we make an advance to plan an individual project, we have to make sure that that particular project fits into the over-all plan of the community. In some communities they have not made requests to draw the plans for the individual project, until they could get their over-all plans completed.

An example of that is in Omaha, Nebr., where over the last 6 months they have been developing an over-all plan for their city. They have finally gotten that approved. They have had some general meetings of their council, and I think there was even a vote of the people. They did not want to plan any individual project until they had an over-all plan.

Now, they are coming to us ready to plan individual projects that fit into this over-all plan.

Mr. CANNON. It seems to me that we have had a statement here, or that we could make a deduction from your tables submitted, that you have now provided for 40 percent of your total program at this time and that you have ahead of you 60 percent.

Mr. FIELD. That is about right.

EFFECT OF DELAYING PROGRAM

Mr. CANNON. With this 40 percent under construction and already planned for, could you not deter the 60 percent for a while and await changed conditions? The whole country is in a state of flux. Many of these things have not yet sufficiently crystallized as to permit a permanent plan. Could you not await changing conditions to just see what will turn up?

Mr. FIELD. I am afraid that if you do that you are going to find a year from now, or a year and a half from now, that you are going to get a tremendous pressure on the Congress for grants for construction. But I think if you will let us go forward with this program and get the things planned for which they can finance construction on an advance that they will pay back, you will be in a much better position when the pressure comes for construction to say, "Here is a program as completely planned as possible that you can finance yourselves."

If you drop this program now, you may find a year and a half from now that you are in the other position. I think it would be money well spent and an insurance of the Federal Government that there is in this country a well-planned program of State and local public works that they can finance themselves.

ADMINISTRATIVE EXPENSES

Mr. CANNON. You have set up here 3 percent of what you have for administrative expenses, on page 8. I note that you have there, apparently, an unallotted balance as of April 30, 1946, of \$199,762. Will that carry you through?

Mr. FIELD. Through June 30.

Mr. CANNON. To the end of the fiscal year?

Mr. FIELD. Yes, sir; this fiscal year. You remember when we started this program, we were also operating the Lanham Act program, and the administrative organization of our Bureau operated

as a unit. Last January, when we were up here to discuss recession of Lanham Act money, you asked us to put our over-all organization on a fiscal-year basis. We have done that, and we have in the back of this presentation a statement showing the complete organization of the Bureau. We estimated the staff that would be devoting—

Mr. CANNON. We will come to that presently. Now, you go beyond this 3 percent for administrative expenses in the additional amount that you are requesting. The amount that you are requesting is \$1,690,000. That is 3.38 percent. Just how do you account for that?

Mr. FIELD. The reason is that it was not estimated on a percentage basis—you will recall that in the first appropriation for planning that came out of this committee, you gave us 4 percent for administration. But, when we got to the Senate, we advised them, because of the fact we had people who were doing both Lanham Act and planning work, that during this fiscal year we would try to get along on the planning for 3 percent and, when we came to the next fiscal year, we would justify our administrative staff of what we actually needed. We think this is the minimum amount of our total administrative costs that we will need in the next fiscal year for the planning program.

In some cases we have one engineer engaged in a program of completing Lanham Act, disposing of property and also helping in the planning program. We have to make estimates of how much time is spent on each program. This estimate is based on actual time records that were kept during this last fiscal year. While we have been operating Lanham Act construction and services, planning work and the Virgin Islands program, we have kept time records and, on the basis of them, we divided up the administrative cost of our Bureau as shown here.

ADVANTAGES OF ADVANCES TO LOCAL COMMITTEES

Mr. RABAUT. I want to ask one question and maybe two. Under ordinary circumstances, when a municipality or subdivision of Government places a bond issue, as soon as they have placed the bond issue for a given improvement or proposed improvement, is the planning money included in the bond issue?

Mr. FIELD. That is right.

Mr. RABAUT. So that is the reason, then, you ask for this money; that is one of the reasons why you talk about these loans to these municipalities; because otherwise they would have to float a bond issue to get money even to do this planning?

Mr. FIELD. That is right.

Mr. RABAUT. In other words, if they do not get this money they are held up or have to have some new basic State law, or something, to have the right to do the planning?

Mr. FIELD. That is right.

Mr. RABAUT. Which would hold up the whole program. Is that general, or is that only in some sections of the country?

Mr. FIELD. There are about five States that have made some State funds available. In Michigan they made some State funds available on a grant basis for half of the cost of planning. In those cases, the advance we make is only what they cannot supply themselves, and it may be half of the cost, or may be a third of the cost.

SAFEGUARDS TOWARD REPAYMENT OF ADVANCES

Mr. RABAUT. Now, this planning they propose or that you offer to assist them with—is that apt to go on on a wholesale basis for a lot of things they wish they could have, or is it guarded by you to such an extent that it is the actual things they plan are what they will need? In other words, what I am trying to get at is how much certainty is there of your getting the money back?

Mr. FIELD. We analyze their financial ability to actually construct. We ask them where they are going to get their bond requirements. If it looks as though the bonds would be beyond their capacity, then we go back to them and check up before we make an advance.

In a few places, where the community wanted to plan an over-all school program and all they had was bonding authority to build the first unit which they really needed, we make an agreement with them that we will advance the money to plan the whole project on the understanding they will pay us back out of the first construction money. That is common practice in architectural and engineering work, to get the master plan finished and then pay for it out of the first money that becomes available.

REPAYMENTS OF ADVANCES TO DATE

Mr. RABAUT. What experience have you had thus far of anybody paying you back?

Mr. FIELD. As I said before, we have actually been paid back on 15 projects on which construction has been started. Most of the communities, and it is a good thing, in my judgment, are holding back on construction of public works; because, after all, prices are high and materials are scarce, and they cannot go into the market at the present time and get competitive prices. But as soon as that market goes down, they will start moving.

I think we have done a prudent job in seeing to it that they can actually finance construction. We have had more conferences on that one point in our field offices and in our own office than on anything else.

ANTICIPATED PERCENTAGE OF LOSSES

Mr. RABAUT. What is the estimate of the percentage of loss that you will have had if this program is allowed?

Mr. FIELD. When we first started the program, we estimated we would probably have a loss of about 10 percent. I think that is very conservative. I think we are going to get more than that back.

Mr. RABAUT. And the general good to the Nation far exceeds that, of course?

Mr. FIELD. That is right.

Mr. RABAUT. That would be 10 percent on what—on 3 percent?

Mr. FIELD. Ten percent on \$30,000,000 so far; but if we got \$50,000,000 more, it would be 10 percent on \$80,000,000.

Mr. RABAUT. This planning money is about 3 percent of the total?

Mr. FIELD. That is right.

Mr. RABAUT. So it would be 10 percent of 3 percent of the total appraisal?

Mr. FIELD. That is right.

Mr. RABAUT. It is not very much of a loss, is it?

Mr. FIELD. No, sir; I think we are sound on that. Our experience so far has been that the attitude of the local communities is good. It took a long time to get their attitude changed about the Federal Government wanting to help construct. By working on this planning program as we are, I think by carrying on this thing one more year it would have a healthy effect on the entire country.

(After discussion off the record:)

Mr. FIELD. We have also had this take place, where we have made an advance and they are ready to start construction on a project and have gone in and floated some bonds or been able to save some funds out of their general finances, they pay us back even before the plans were completed. They have said "All right; as long as we have to start construction now, we have our money to plan so we will not need the Federal advance."

Mr. RABAUT. As I see it, some sort of planning which gives constructive thinking along some over-all line is for the general good; but if you get some back, I do not think it is so bad.

LIMITED AIRPORT PLANNING

Mr. FIELD. In this program, you notice we have approved the planning of some airports. When we started this program, we knew there was some legislation pending for Federal aid for airports and we discouraged giving any money at that time for airport plans, although we did finally approve 31 projects and advanced \$362,000. But on those airports and the work for which we advanced the planning money, they could build the project themselves. On those projects, they may get some additional aid under this new Federal-aid airport program. We have only helped them plan what they could build with their own funds.

A large volume of these public works is for sewer, water, sanitation, and schools—70 percent of it. If we get another billion and a half of that kind of work planned within another year, a substantial part of the public works program is taken care of by the State and local governments themselves. I think it would have a healthy effect if we stepped this planning program up. In some cases we have had applicants say "We do not want your advance, because the law under which it is made, makes no commitment for construction. We are going to wait until some future time when the Federal Government gives us an advance."

ADMINISTRATIVE EXPENSE AND PROCEDURES

Mr. TABER. How long has this program been running?

Mr. FIELD. We started about the middle of last June; just about a year; not quite.

Mr. TABER. So that you have been going about 9 or 10 months?

Mr. FIELD. That is right.

Mr. TABER. And your expenditures to April 30 were \$98,932 for administrative expenses, according to this document here. For what is that?

Mr. FIELD. The reason for that was this: During the year we have been operating our advance planning program, the staff of the Bureau

has been paid initially from Lanham Act funds, but we have kept card records of the time they have actually worked on planning. As of April 30, we had not yet transferred those charges to the advance planning program. But that \$98,000 spent up to April 30, was for supplies, equipment, my salary, and a few other things that were charged directly to this program. By the end of May the charges will be transferred from our Lanham Act funds to this planning program. It will require all of the funds provided for administering this program for 1946 as the original 3 percent was based on a \$75,000,000 program instead of \$30,000,000, which has been appropriated.

It was impractical to make a division of our staff between programs; so that the only thing we could do was to set up time cards.

Mr. TABER. The way this thing operates, what do you do? These people come in here and make application?

Mr. FIELD. That is right.

Mr. TABER. What do you do?

Mr. FIELD. Applications come into our nine division offices on a 1-page project application, in which they request that we advance for planning, so many dollars to plan a specific project. We require, when that comes in to us, they have along with it a letter from the over-all planning agency in the community or State, whichever has jurisdiction, stating that the project does fit into their over-all plan. Then, if there is any question about where they are going to get the money to construct, we write back to them and say "How are you going to get the money to construct? What is your bonded limit?" We then review to see whether or not there is any complication with any highway projects with Public Roads. We have a clearance with Public Roads so that we have no duplication. We ask some engineers of the Public Buildings Administration, who know more about the cost of buildings, to review the computation of costs as shown by the applicant, to see whether they are proper. A lot of communities are coming in with projects saying they can build a school for \$100,000 that we know from our own records will cost \$200,000 or perhaps for \$75,000. We might write back to them and say "We think your estimate is out of line."

After we are satisfied in our division office that the project meets all of our requirements, it comes into the central office and very little review is given, except in a few projects where there may be some overlapping with another Federal agency. An airport project would be cleared with CAA to make sure there is no conflict with what they have planned. Then the request is submitted to General Fleming for approval. After he approves the advance, we send out a simple, one-page agreement, to the local community saying we agree to advance so much money with the understanding it will be paid back out of money available when they start construction. We ask that they have a meeting of the town board, or council, or some official action acknowledging the offer. By requiring that we have weeded out some.

We have never accepted an application directly from any engineers or architects. If a request comes in from an engineer or architect, we sent it back to the community. We require that it come in from a public body, so that there is a real agreement in advance from them.

Mr. TABER. Now, after the architect or engineer has developed the plans, are they submitted to you?

Mr. FIELD. The architect and engineer submit them through the local government. Then the local government is required, by our regulations, to get approval of any State agency or State health department of its water or sewer project; or if there is some State law, like in Massachusetts, where any kind of public works has to go through the State body, we require the local community to do that before it comes to us. Then they submit their plans to us on the basis that they should be complete enough so that they could award contracts. We review the plans and if they are sufficient, we make the final payment of the advance. We also require that they show they can actually finance the construction. They revise their estimates at that time, also, and may revise their method of financing so that it is up to date.

It may be that when it first comes in, they are not sure whether they are going to finance it out of general obligations or revenue bonds. When the plans are complete, they can give us better estimates. We do not try to check the design. When we make the final payment to them they sign an agreement that the plans are completed to their own satisfaction and they will pay the advance back when they start construction.

FORMER PROCEDURE OF PREPARING PLANS

Mr. TABER. How did these folks ever get up plans in the old days before you got into this picture?

Mr. FIELD. Well, they got them up in all kinds of ways.

Mr. TABER. You mean that the local communities are so far helpless that they do not know enough to look after getting up plans of this sort?

Mr. FIELD. Before the war, when they were carrying on construction programs, an architect or engineer was in a position to say: "I am doing some work for you now; I have an organization; the cash is coming in from supervision of actual construction, and I am getting money from you day by day. I will make some preliminary plans for you and take it on the cuff, and you can pay me back when you sell your bonds and when you start construction." That was the way it was normally done. That was a common way of doing it, but many times public bodies lost a lot of money because of the fact they did not have a real, good, honest set of plans and specifications. Some cities did a good job. There are some cities we do not have to go into at all, because they have a capable staff of their own, and they can do the work without any help from us. But, by and large, most of these small communities do not have the funds to plan in advance. During the war they could not construct and could not get the revenues for planning.

Mr. TABER. And you are figuring on this to go on forever, I suppose?

Mr. FIELD. No, sir. We think we ought to get a balanced program of about \$5,000,000,000 of public works planned, and the question of whether it goes on beyond June 30, 1947, is going to be up to the Congress as to whether they want to extend the authorization for a longer time. I think the very fact that the Government does not want local communities to construct public works now is just as good an argument now to help them get work planned as it was during the war.

PROGRAM ACCOMPLISHMENTS TO DATE

Mr. TABER. All together, you started on a number of projects the middle of June last year. About how many did you make allotments for in June?

Mr. FIELD. We have a table here on page 32 which shows when we started the program. You remember the first appropriation we got was 12½ million. We got that in the latter part of June and we allotted \$1,000,000 in that month; June; \$793,000 in July. And the reason that was held up was because of the fact the program was just starting and we wanted to make sure that all of our requirements were well established. Then we went to \$2,400,000; \$1,800,000; \$3,900,000; \$2,100,000. Then it dropped to \$1,000,000 in December, when we ran out of money; then up to \$2,400,000; \$3,500,000; \$5,000,000, and then down to \$1,500,000, when we started to run out of money this spring.

Mr. TABER. Now, down to the end of 1945, you had cumulative advances of \$13,248,000?

Mr. FIELD. That is right.

Mr. TABER. On the 30th of April, 4 months later, there were plans completed, according to your table on page 30, for 180 projects with the plan preparation costing \$693,000, and the projects involved the construction of \$17,500,000.

Mr. FIELD. That is just the construction cost.

Mr. TABER. Now, according to what you told us a few minutes ago, there were about 15 out of 180 on which construction had actually begun.

Mr. FIELD. That is right.

Mr. TABER. So that this whole job has resulted in 15 projects getting started and plans being completed for 180 projects, with just under \$700,000 cost. And you have allocated just about 20 times that amount of money down through the end of December. That is about the picture, is it not?

Mr. FIELD. Yes, but—

Mr. TABER. Just about 5 percent of the money was allotted through the end of the year, which resulted in plans being completed by the 30th of April and only 15 projects out of the whole business were under construction.

I wonder about the urgency of this program. You claim now that you have got allocations made for over a billion dollars of projects and we are having pressure put upon the Congress all the time to pass bills which permit somebody to regulate and control the construction of everything. I am wondering about the whole picture.

TIME TO PREPARE PLANS AND SPECIFICATIONS

Mr. FIELD. When we started this program, we expected that it would take at least a year, on the average project to complete the plan preparation.

Mr. TABER. At least a year?

Mr. FIELD. Yes, sir.

General FLEMING. It often takes longer to complete the plans than it takes to do the construction, Mr. Taber.

Mr. TABER. These 180 projects, the construction costs thereof total \$17,578,000, or just a little under \$100,000 average per project.

Mr. FIELD. Those are relatively small projects.

Mr. TABER. They are the only ones on which the plans had been completed.

Mr. FIELD. That is right. The small ones would be completed first.

Mr. TABER. By the 30th of April. Do you mean that it takes a year to complete plans on such a job as that?

Mr. FIELD. Well, on those few projects, it has not taken a year.

Mr. TABER. I have watched some of this sort of thing go on from time to time in my day and I never knew of such a situation to exist.

Mr. RABAUT. I suggest you allow him to tell us the different types of projects and how much it takes for each, and then we will know what the story is.

Mr. FIELD. Out of the \$25,000,000 we have only actually given out in expenditures of initial payment, \$10,000,000, as of April 30. In other words, it takes some time after an advance is approved, until we get the actual cash to the local community. And we only give them half of the amount, to start with. As a matter of fact, we have not pushed them, to get the projects completely planned all at once. We felt that while it is important to get the plans under way there was no rush to complete them, or to start the construction of the public works. If it takes them a little bit longer to complete the plans, because they want to have a chance to do a good job, and the community wants to determine whether they are going to cut it down or add to it, depending on how much of the money they can finance for actual construction, we should not rush them to get a lot of plans drawn in a hurry.

We think that they ought to do a good job, so that when they are completed, they can actually award contracts. We do not think that the money that we have advanced up to now will have actually all been expended until a year from now, because it is going to take time to complete the plans.

Mr. TABER. Frankly, I have never known a situation where there was any difficulty in any local community, in my territory, getting money to arrange for plans.

Mr. FIELD. We have had some requests——

Mr. TABER. Oh, you have had requests from them I know. And you have made allotments to them. But it was not because they could not get the money some other way.

They get the use of the money for nothing, do they not?

Mr. FIELD. Yes; there is no interest paid.

Mr. TABER. And that is undoubtedly the inducement, although—I do not know, I sort of wonder about the value of the supervision that your organization would have over these people.

Mr. FIELD. We do not have anything to do with the selection of the architects or the engineers nor do we tell them how they should plan a project. We do not tell them what they should plan. We do not tell them the order and priority in which they should plan. We ask them to tell us what they have decided in their own local community, the projects that they want to plan.

This whole program started off because of the fact that during the war they could not get the money for plans. They could not construct and therefore they could not get the money for plans.

Mr. TABER. The situation has not changed much, so far as that is concerned now, has it?

MR. FIELD. No, that is right. We are in about the same position at this time as we were a year ago, except for one thing; that is, that the architects and engineers that were in the services. You will remember that there was some difficulty when we started off getting a sufficient number of architects and engineers to carry on. They are back now and they are getting into the local communities and working with them on projects that eventually they are going to construct.

MR. TABER. I do not think I have any more at this time.

FUNDAMENTAL BASIS FOR THE PROGRAM

MR. WIGGLESWORTH. Mr. Field, on a couple of previous occasions it has been emphasized, as I recall it, that the fundamental basis for this law, in the first place, was the inability of certain localities, under State laws, to get authority to borrow funds for planning as distinguished from funds for construction; and that if a given State, when necessary, would make a very simple change in existing law, to permit borrowing for planning as well as for construction, the fundamental basis for this operation would be eliminated.

MR. FIELD. Well, except that no bond firm is going to loan money to a community just for drawing plans. When they loan money to a community for a sewer system or a water system or a school, they are willing to loan against a completed thing, so that they are going to be able to get revenue back to pay off the bonds.

MR. WIGGLESWORTH. There is no difficulty, so far as I know, in a municipality floating bonds for construction including plans, up my way.

MR. FIELD. They do vote the bonds for construction, including plans, but they do not sell those bonds until they are ready to start construction.

LEGISLATION IN STATES FOR ADVANCED PLANNING

MR. WIGGLESWORTH. What efforts, if any, have you made to get the States when necessary, to consider such legislation?

MR. FIELD. For the last 4 years, General Fleming has been urging the State and local governments to pass State laws that would enable the local communities and the States to do this planning.

MR. WIGGLESWORTH. What success have you had? How many States have passed such laws?

MR. FIELD. As I told you before, New York State passed the most liberal law, which gives the local communities authority to do these things. Michigan passed a law that makes grants for planning certain kinds of public works. It does not include school buildings. It is for half of the planning cost with the local governments providing the balance.

Illinois has passed a law that grants some money on a matching basis to the communities.

MR. WIGGLESWORTH. For planning?

MR. FIELD. For planning. California has a program that includes certain kinds of projects, but does not include others. I think in the case of California it has to do with self-liquidating projects.

New Jersey and Maryland appropriated small amounts of money. Most of those State programs were on a grant basis and the States

are now finding that it was a mistake, because the local communities were more interested in getting the grant than in planning. They were not particularly interested in getting the plans drawn, if they could get the grant. And they find that the kind of advance that we make, that has to be paid back is the best kind and that if they were starting all over, they would do it that way, too.

Mr. WIGGLESWORTH. How many States have enacted laws since this plan was originally set up? You have named about three or four. Roughly, how many?

Mr. FIELD. I would say about three.

Mr. WIGGLESWORTH. Only three?

Mr. FIELD. That is right. The reason for that, Mr. Wigglesworth, is a fundamental philosophy of State governments, that they do not want to become obligated to grant money for local public works. And if they granted money for plans, then they come back to them and say, "We want money for construction." Not only that, when this law was passed, title V under which we operate, they said, "All right, there is a place where you can get money on an advance or loan basis without paying interest." They did not want to pass any State laws.

Mr. WIGGLESWORTH. Personally, I do not see any reason why, if under State law a municipality can borrow funds for construction purposes, they cannot also borrow funds for construction including planning.

Mr. FIELD. They do, but they cannot borrow money just for planning in advance of construction.

Mr. WIGGLESWORTH. This whole thing is predicated on the assumption that it is going to be planning plus construction.

Mr. FIELD. That is right.

Mr. WIGGLESWORTH. Otherwise we would not make any loans for the planning.

Mr. FIELD. That is right. But when they actually sell the bonds and get the money for construction, and they have the cash, they can pay back for the plans, and you save 1 year's time for them and for the whole construction industry over what would be the case if they had to wait until they sold their bonds, because then the planning would not be done in advance.

Mr. WIGGLESWORTH. What I am trying to say in another form is this. As I understand, you set up a shelf of projects that amount to, according to your estimate, \$1,080,000,000, is that right?

Mr. FIELD. \$1,084,000,000.

Mr. WIGGLESWORTH. And you have done that with a Federal expenditure for plans of something under \$30,000,000?

Mr. FIELD. That is right.

Mr. WIGGLESWORTH. And the rest of it is going to be covered by local borrowings, or taxation, or from other sources?

Mr. FIELD. No, most of the rest of it is covered by the regular staff that they have on, in those cities, and so forth.

Mr. WIGGLESWORTH. I mean of the \$1,080,000,000.

Mr. FIELD. Oh, yes. It is all going to be covered.

Mr. WIGGLESWORTH. All of the \$1,080,000,000?

Mr. FIELD. Yes, sir.

Mr. WIGGLESWORTH. It seems to me, that if the \$1,080,000,000 can be put up for the purpose of construction, that they ought to be

able to put up \$1,080,000,000 plus the \$30,000,000 that we have thrown into the picture, by a very simple amendment to the law, here and there, in States that now do not permit borrowing for construction plus plans.

Mr. FIELD. The idea is that the average man that loans money to a community for water or sewers or a school system is not going to loan that money to draw up a set of plans. That is the reason we had to have this program.

Mr. WIGGLESWORTH. You told us before that the reason was that under the law they could not do it.

General FLEMING. They can borrow money for construction plus planning. I think there is no question about that.

Mr. WIGGLESWORTH. I think if you will look at the record of the two previous hearings, you will see that testimony was given to the effect that under the law it is not possible to borrow for plans in certain States, and therefore we have this plan of yours.

General FLEMING. It is not possible to borrow just for plans alone but it is possible in all States, I think, to borrow for both plans and construction in one bond issue.

Mr. WIGGLESWORTH. My memory may not be accurate, but I have stated what it is, and that is that the States and local communities had trouble borrowing for construction plus planning.

General FLEMING. I do not know that there is any difficulty anywhere borrowing for both construction and planning.

Mr. FIELD. You remember, when we first were up here, we talked about St. Louis, where they voted about \$60,000,000 of bonds for public works, but they could not go out and sell those bonds just to get the money for plans. If they sold the bonds; they would have to start construction and they were not in any position to start construction. And they are not in a position to start construction right now, either. Therefore we made an advance so that they could go ahead and make their plans and then when they did sell their bonds, they would pay us back.

We think this fundamentally about this whole program, that if the Federal Government can help to the extent of getting a well-rounded program planned, so that they can float bonds and construct, it is going to make it much easier to say to them, "All right, you do not need to have any Federal money for construction."

Mr. RABAUT. May I ask one or two questions, to see if I understand this correctly?

First, your program saves a year's time because of the early drafting of the plans?

Mr. FIELD. That is right.

Mr. RABAUT. Secondly, it saves much money for the units of government because of the fact that they are not forced to put out a bond issue just in order to start drawing plans.

Mr. FIELD. That is right. They save the interest.

Mr. RABAUT. In other words, they get their plans drawn and then they issue their bonds afterward, when they are ready to start construction.

Mr. FIELD. Yes.

Mr. RABAUT. And the plans ordinarily take a year?

Mr. FIELD. Yes.

Mr. RABAUT. And then when they get their money under the bond issue, they repay you, is that correct?

Mr. FIELD. That is right.

Mr. RABAUT. That is all that I see in the whole picture.

General FLEMING. It saves them a year's interest on a bond issue.

Mr. RABAUT. At least a year's time, if we want to give them time to permit them to get materials.

Mr. WIGGLESWORTH. That is what the whole thing comes down to, that we give them money interest free for the planning.

Mr. FIELD. That is right.

Mr. WIGGLESWORTH. Period; that is the whole picture.

Mr. RABAUT. No; that is not the whole picture. First of all, they get the money and they can go ahead with their plans. That is No. 1.

Mr. WIGGLESWORTH. They could do that if they borrowed for planning plus construction.

Mr. RABAUT. They cannot borrow for planning plus construction, if they are not ready to go ahead with the construction. They must float a whole bond issue for the whole project, and that will draw interest during the whole period. Now, with this smaller amount—and it comes to what percentage of the total cost?

Mr. FIELD. About 3 percent.

Mr. RABAUT. With 3 percent of the money they can go ahead and get started instead of having to borrow 100 percent of the money and pay an interest rate on all of it.

AVAILABILITY OF MATERIALS

Mr. DIRKSEN. To what extent do you maintain a reasonably close liaison with the Civilian Production Administration?

Mr. FIELD. I do not think we have any liaison officers.

Mr. DIRKSEN. None whatsoever?

Mr. FIELD. No.

Mr. DIRKSEN. Well, the thing that sticks in my mind about more advanced planning funds is this: Where are the communities finally going to be if the veterans' housing program and the necessary building is going to engross pretty well the materials output for 1946 and all of the calendar year 1947?

Mr. FIELD. The only public works that the CPA will allow to go forward—and we have had discussions with them—and in their requirements that have been sent out, they have exempted sewer systems, water systems, road systems, and those kinds of projects that do not take any materials that normally go into housing.

On school building, they have not exempted that, and the school authorities would have to go to the CPA to get authority to start construction. We would discourage them from starting construction unless they absolutely had to have the schools.

Mr. DIRKSEN. That is on school buildings?

Mr. FIELD. Yes.

Mr. DIRKSEN. With respect to school buildings, what would be the virtue of advance planning now if it begins to look as if for the next 2 years or 28 months, or well into 1948, it would be difficult to go ahead with construction unless there were an emergency or a hardship?

Mr. FIELD. We think that if the housing program goes through as

now planned there will have to be a tremendous increase in the number of school buildings constructed because most of this housing will be in areas where there will be groups of houses, and they will have to build additional school facilities in those areas. We are encouraging local people to plan that kind of school program.

For instance, in a community where they know that a town is growing in a particular area, they may plan the over-all school program and then build only one unit that is needed because of housing. I think that the CPA will approve the starting of certain construction of school buildings. There was a man in my office yesterday from Fulton County who had been over to the CPA, and they gave him approval to start the construction of three units of schools in an area around Atlanta.

Mr. DIRKSEN. What has been the effect of these new regulations with respect to materials upon the disposition of communities and local authorities to go ahead with any kind of project until the pressure of the housing program has worn off somewhat?

Mr. FIELD. Well, they have all held back in general—but not entirely because of that regulation, but mainly because of the costs. The same man from Fulton County who was in yesterday. Said that he had \$150,000 of bonds voted for a school building. They took bids and the bids were \$250,000. They need that school badly. The CPA has given them approval. What has held them back is the money and the cost, and like most public officials, they are going to hold back of their own accord.

Mr. DIRKSEN. If costs are 100 percent higher for this year and the next year and there is an indisposition on the part of local authorities to go ahead, and because they do not want to get in the way of the housing program, and third, if there are some restrictions on roads, and some other projects, why would it not be the sensible approach to this thing to just ease off on this planning business for a while?

Mr. FIELD. Because of the fact that those architects and engineers that normally plan and construct those kinds of public works are available to do that planning now and it would be well to get them planned in advance. I think in 2 years from now, perhaps a year and a half from now, they will be able to move ahead.

Mr. DIRKSEN. Why get them planned so far in advance? What is the necessity?

Mr. FIELD. It takes them about a year to plan a school building and do a decent job of it, and I think the advantage is that then they can make their mistakes on paper instead of making them in construction, and get them ready.

There is another angle to this whole construction industry—at least, this is my feeling about it—that one of the reasons we are short of materials and manpower is not just because of the capacity of the construction industry, or because of the production, but because so much of it is going into repair and improvements. Every farmhouse is being painted and repaired. I think a year from now most of that will be caught up with. After all, when you take the housing program that they have scheduled and compare it with 1925, when there were nine-hundred-and-some-odd-thousand houses built, at that same time in 1925 we had the largest volume of private commercial and industrial construction that we have ever had in the country.

Mr. DIRKSEN. We had the materials for it at that time.

Mr. FIELD. Yes; and I think we have the materials now.

Mr. DIRKSEN. That is at variance with all the testimony that we have received.

Mr. FIELD. We may not have all of them right at this moment, but they are becoming available, and very rapidly.

Down in Miami last winter they were having a hard time building houses because they could not get cement blocks. Inside of 4 months they got more cement blocks in that locality than they could use.

Mr. DIRKSEN. If a school district felt that there was a need for a school in a community because of an increase in population, and they got bids and discovered that it would cost \$200,000 to build that school, but that if they waited a year or maybe a little longer, they might be able to build it for \$150,000, or \$125,000, do you think then the Federal Government, by virtue of availability of advanced money funds, ought to give the slightest encouragement to a community to incur that additional debt, when by waiting a little while, going through some inconvenience, no doubt, they could save a very substantial sum?

Mr. FIELD. No. As a matter of fact, I think that the Federal Government ought to encourage local communities to hold back on construction. I think that we have talked about the timing of public works a long time. Now is the time to hold back on public works and give to private construction all the leeway. But during that period I think that now is the time to do some real planning on it, also.

Mr. DIRKSEN. I wonder if you could not confer with the CPA and then file a memorandum in the hearings showing what their best estimate is with respect to what the impact is of these material restrictions now upon general public works construction. I think we ought to have some additional information, because that is the agency which must necessarily give you the word on it.

Mr. FIELD. We will be glad to get that.

(The matter referred to follows:)

After conference with the Civilian Production Administration and the Office of the Administrator of the Federal Works Agency, I find that considerable discussion was had with Mr. Wyatt and with representatives of the CPA prior to the recent orders issued with respect to restricting construction, and the use of materials for construction.

The recent order issued by the CPA, which limits the less essential types of construction that compete with housing for materials and labor, recognizes the need for certain public works.

This order does not in any essence attempt to halt all construction other than veterans' housing; it merely is designed to insure enough materials being available for such housing. The order specifically exempts many types of public works. Authorization is not required by the CPA to build, repair, or alter the following types of public construction: highways, roads, and streets; sidewalks, bridges; tunnels; subways; pipe lines and utility facilities; sewer and water projects; and dams, canals, drainage or irrigation ditches. The order does require public bodies to secure authorization for the construction of buildings, such as schools, hospitals, and municipal buildings.

The Civilian Production Administration has established citizens' committees in various localities to review the requests for construction, including State and local public works. They advise that these committees will give favorable consideration to the State and local public works that are essential to an expanded housing program, such as schools and hospitals. Other public works needed for housing, such as sewer and water projects, and streets and sidewalks, do not require an authorization from the CPA.

Of the 3,644 advances made for planning State and local public works, about 2,000 represents projects which have been exempted by the CPA. A substantial part of the other projects, such as schools and hospitals, is of the type which

could receive authorization for materials when construction is necessary. The same proportions are true with respect to advances that are now under review, awaiting further appropriation.

In February 1946, Mr. Wyatt, the Administrator of the National Housing Agency, issued the following statement with respect to public works and housing:

"The deferment of a considerable amount of construction will undoubtedly be necessary in the months immediately ahead, if the objectives of the veterans' emergency housing program are to be met. At the same time, I want to emphasize that there will have to be a great amount of public works in our communities in order for our housing program to succeed.

"Expansion of community facilities is vitally necessary if the houses built under the veterans' emergency housing program are to be properly equipped for family living and be assets to our communities. The necessary curtailment of such facilities during the war makes action imperative now, since a great share of the sites needed for the present program will have to be equipped with all types of utilities and services. Communities and the responsible Federal, State, and local agencies should accelerate their planning for the expanded program. Housing is only a part—though the major part—of the job ahead."

MAINTENANCE AND OPERATION OF SCHOOLS

Mr. CANNON. Under maintenance and operation of schools, page 5 of the bill, you have an appropriation to permit the use of not to exceed \$10,000,000 of available funds for community facilities and for the maintenance and operation of schools during the ensuing calendar year.

This is not to provide new money; it is to use money now available?

Mr. FIELD. Yes. I want to explain that a little bit.

Mr. CANNON. But at the same time, this money otherwise would revert to the Treasury, would it not?

Mr. FIELD. That is right; it would go into the next rescission.

Mr. CANNON. So in effect it is an expenditure of money.

Mr. FIELD. That is right, and that is why we have asked for a reappropriation of it.

Mr. CANNON. I see that you make reference here in your justifications to bill H. R. 5796. That has passed the House; but it has not yet passed the Senate?

Mr. FIELD. It passed the Senate committee last Friday without a dissenting vote, and will be up on the floor of the Senate as soon as they can get it there. There was no opposition to it. I would like to make a general statement about this because you gentlemen are more familiar with it than some of the other people.

ASSISTANCE TO SCHOOLS IN HOUSING AND MILITARY AREAS

You will remember that when we came up last January on our rescission, we said that one of the difficulties we were running into in the closing up of the Lanham Act was the school assistance, because the people were not moving out of the housing areas and something would have to be done.

We had three or four kinds of problems. One was that people were on Army reservations, Navy reservations and other military installations, and at other places where they were in Federal housing. We thought that the housing would be removed by June 30, 1946, so that this extra load would not be there. But by February 1946 we received indications from the local school districts that the war workers were not moving as rapidly as expected. We found in our analysis, which is in here, that one of our biggest projects was in the State of

Tennessee near that atomic bomb plant where we are putting in about \$1,000,000 a year. We went to the Army and the Navy and said that it seemed to us that some of these things were programs that they were going to have to pick up. They were not ready to say that they should have new legislation to take care of that particular project or any other, and they recommended to the Lanham committee that we be given authority to carry this on for one more year.

Now, this year we are helping 339 schools.

Mr. CANNON. You are proposing here assistance to only 250.

Mr. FIELD. That is right. I think that the table at page 58 gives you a pretty good idea, a summary of all the projects that we had approved up until April 30, and you will notice there are 77 projects we are helping this year where the percentage of Federal money to the total cost is less than 10 percent. We believe that in the next year the local revenues in those schools districts will be sufficient so that we can drop those out.

Mr. CANNON. What about attendance records?

Mr. FIELD. The attendance record show that this year they have stayed up. As a matter of fact, they have gone up over last year. I think the best table to show this school assistance, that will give you a picture of the financing and everything else, is on page 76. That goes back to the beginning of normal times. There are some figures here, I think, that we ought to bring to your attention.

INCREASE IN COST OF OPERATING SCHOOLS

We took 305 of these 339 schools and made an analysis of their financial arrangements in the normal school year before the war impact, and then what it was this year and the year before. Here you will notice that in the normal years the local funds for these 305 school districts was \$21,733,000. This year those local funds had stepped up to \$28,000,000. The significant thing is that the State funds in those 305 school districts before the war impact, was \$14,313,000 and this year the States are putting in \$32,842,000 in those same schools, which shows the results of the efforts made by the governors and the local people to pass additional appropriations.

Now, during that same period of time, the cost of operating those schools per pupil went from \$64.78 up to \$98, and from a credit of \$1,000,000 we are financing a deficit for those particular schools of \$12,449,000.

When we made this analysis it looked to us that if the cost had stayed down, we would not have to put any money in it. An analysis of these average figures are on the next page, page 77; we have an analysis of 19 States, which was made to see what had happened to the average cost per pupil in all schools within those States, and then the schools that were built with Lanham money.

You will notice that the cost per pupil of the ones that are helped with Lanham money is less than those that were financed without Federal aid.

We think that this program should not be extended beyond one more year. The only reason that we are asking that it be extended this year is because we see no way in which these people can meet their deficit for one more year.

NUMBER OF SCHOOLS ASSISTED

There is a table here on page 55 that I think would be worth looking at. It shows the number of schools that we have helped each year starting in 1941-42. We helped 328 schools that year, and of those 328 this year we are helping only 57; in other words, the others have been able to pick up on their own and finance their own operations and the amount has dropped off each year.

In the next year we started with 291 new schools and now we are only helping 105 of them. We think that out of the 339 that next year we will not have to help more than 250.

Now, they are all handled on a deficit financing basis. We had extensive hearings before the Lanham committee, and we had a discussion with the Senate committee last week. They feel that the Government should carry this for one more year.

Our estimates are based on our own experience, based on what the State governments say that they can do. We may find that the State governments next January will be able to put more money in so that we can drop some projects out.

Since this table was made up the State of California had a special session of the legislature and it seems that they will be able to take over some of the schools in their State without any Federal funds.

Mr. CANNON. Are any of those included in this 250?

Mr. FIELD. No.

NEED FOR DISCONTINUANCE OF PROGRAM AS SOON AS POSSIBLE

Mr. CANNON. Of course, this is a war program to meet war emergencies. As you say, there is unquestionably some ground for continuing it, but I think that we are all agreed, and that seems to be your opinion, that the thing should be discontinued as soon as possible. The longer we let it run the more difficult it will be to get out of it. You say it is your belief and your plan that 1 more year with 250 schools will permit you to close out the program completely?

Mr. FIELD. I think that we will be playing fair with the State governments and local governments by giving them extra time, because most of the State legislatures do not meet this year. They will meet next year.

Mr. CANNON. They have ample and sufficient notice now.

Mr. FIELD. I do not believe that the State and local people will be able to take care of a situation like the atomic bomb plant, if it is continued. We do not know, and the Army does not know, how long it will continue.

Mr. CANNON. There is no prospect of its being discontinued at this time.

Mr. FIELD. No. We feel about that kind of a situation—where it is entirely a Federal situation—that there should be some arrangement for the Army and the Navy to take care of that out of other legislation and the other kinds of projects the local people should take care of themselves.

AID NEEDED IN SCHOOLS DUE TO OTHER PROBLEMS

Mr. CANNON. On page 73 you classify the basis for aid, and you show a catch-all category of "Other problems." What are the most outstanding "Other problems"?

Mr. FIELD. You will notice in Michigan there are 14.

Mr. CANNON. There are 17 in Virginia.

Mr. FIELD. That means where a lot of people came into an area because of the war and in that particular school area there was no defense plant or Federal housing but the increased school attendance caused by this war load made it necessary to provide Federal help. In other words the increased school load was caused by increased war population.

Mr. CANNON. You are cutting down to approximately 250 projects?

Mr. FIELD. That is what we think.

Mr. CANNON. Have you a tentative classification of those problems?

Mr. FIELD. No. They will be the same projects pretty much.

Mr. CANNON. To what extent, if any, are you rendering aid in communities in which the Army and Navy own their own school facilities?

Mr. FIELD. I think that there are only a few places where they have the authority to maintain their own schools.

Mr. CANNON. Both the Army and the Navy are maintaining some schools projects, are they not?

Mr. FIELD. I do not think they are doing more than financing the construction. They may be taking some money out of their canteen fund for operating them.

Down here at Fort Belvoir we have to help in that school district where the school children come from the reservation.

Mr. CANNON. You are cooperating in some instances?

Mr. FIELD. Yes.

CONSTRUCTION OF NEW SCHOOLS

Mr. CANNON. I see that you have added 31 new schools to your aid program during the current year. What is your justification for new schools this year? I can understand your additional new schools last year as new industries developed and the working population was concentrated, but that is over with now.

Mr. FIELD. Remember this is back to last August, and last summer we were still constructing schools under the Lanham Act in areas where the need had been created because of the war housing. Those schools began operations during the year. They needed some help to get them started, and they were built to take the load off some other schools, and so they were things that we were more or less committed to when the war was still on. Most of those were out in California and on the west coast.

BASIS OF FINANCING AID TO SCHOOLS

Mr. CANNON. Over on the next page, page 56 of the justifications, will there be any disposition to reduce the percentage of Federal aid during the next school year, or is it your plan in all of these to continue 100 percent?

Mr. FIELD. No. We operate on a deficit-financing basis. Gradually, as the local revenues go up and the State revenues go up, the amount we put in can come down. We have allotted for insurance this year pretty close to \$13,000,000. By the end of June it will be around \$13,500,000. That does not mean that we will spend that amount, because we make a final audit, and if it shows that the local

funds and the State funds are sufficient to meet the operating costs, we do not actually expend that money.

Now, that is the reason that we have recovered money from what we anticipated during the last 6 months. We have recovered almost \$10,000,000; about \$4,500,000 on construction projects we are closing up, and about \$5,000,000 on services.

Some of that came about in the closing up of child care. We found we recovered a lot more money in that than we anticipated. And also the school program last year, when we made our audits this year, we recovered about \$2,000,000.

REDUCTION IN NUMBER OF PROJECTS

Mr. TABER. There are 339 projects currently operating, are there?

Mr. FIELD. Those are the projects we are helping up to June 30, and there are a few more that we will probably have to help out before the end of this year.

Mr. TABER. You mean the number is currently increasing? Are not there a lot of those projects that are closing down?

Mr. FIELD. No. These are schools that are in operation.

Mr. TABER. Yes; but these Government projects that have caused this operation and have been the excuse for it are very largely closing up, are they not?

Mr. FIELD. That is right. We had 407 projects last year and some of those projects we have not allotted money on up to April 30, because we felt they could carry the load without it. What we do is to wait until the end of May and, if there is a deficit on some of those, we handle them just like the 339 we have approved.

Mr. TABER. There must be half of those projects—I have been over the list—where they are closed up or are going to close up within a month or two, and there won't be any school from the 1st of July to the 1st of September, so that you won't need anything there by the end of the summer, and a very large percentage of those outfits will be closed up.

Mr. FIELD. Well, the way it comes to us, the enrollment in these schools we have been helping has gone up this year, and they expect it to go up next year. A lot of this temporary housing has been turned over to the veterans now, and the veterans are moving into some of those temporary housing units.

Mr. TABER. But where people are moving in from the outside, they are paying rent and that sort of thing. Are not they paying any taxes?

Mr. FIELD. They pay a small amount in lieu of taxes, which is not sufficient to take care of the total operating cost of their schools. We do not give them any money unless they can prove to us that the money they get in from the State and local governments is not sufficient to meet their needs.

Mr. TABER. You only used \$12,800,000 last year and you are asking for practically four-fifths of that for next year. It does not sound reasonable. There must be a cutting down in that operation that would eliminate a very considerable percentage of this.

Mr. FIELD. The \$12,800,000 last year was actual expenditure, and we had actually allotted about \$14,000,000. We have to allot about 10 to 15 percent more, on the whole, than they actually will expend,

because we have to give them assurance they can have their deficit met. Those funds are recovered.

BASIS FOR ESTIMATE FOR ADMINISTRATIVE EXPENSES

Mr. TABER. You are estimating \$400,000 for administrative expenses. How do you get that way? I would like to see how you get that way. Have you any green sheets on that?

Mr. FIELD. Yes; we have a complete break-down of the administrative cost of our whole Bureau, and the number of people devoting all of their time to the school program.

Mr. TABER. Where is that?

Mr. FIELD. In the last part of this presentation. I will tell you this about the 4 percent, Mr. Taber. In the operation of our program in the past, the service program, that is about what it has cost us. We will actually get applications from about 500 school districts that feel they are going to have some deficit. And we have to consider those, go over them, check with the State departments of education. It is purely a fiscal matter. It will be carried out in the same way we have in the past.

We think if it would be possible for us to get out of this thing this year, we would be glad to do it. We got out of the child care program after a great deal of difficulty, and we recovered a lot of money that we had allotted. I think maybe in this program, when we get all through, we will recover some more of the money. But I think these schools must be given some assurance that they are going to be able to have their deficits met and we should not make any allotments until we are positively sure that next year they are going to have a deficit.

If this program could be dropped completely, we would be glad to do it.

General FLEMING. We do not think really it is the function of the Federal Government, and we would like to get out of it just as fast as we can.

ALLOTMENTS FOR HOSPITALS

Mr. FIELD. The only thing in the Lanham Act causing any trouble at the present time, outside of schools, are five hospitals in some war areas, and we told you gentlemen we would not make any allotments after June 30 for any of them. Since then, there is one at Vanport, Oreg., one at Vallejo, Calif., and one at Norfolk, all in defense areas. We would like to allot a small amount of money to them and say that is the end of it, and do that before June 30. Then we will be through with everything in the way of allotments under the Lanham Act, except school assistance. The only reason for the hospitals is that they are having difficulty in financing their operations. We are hoping that maybe the Veterans' Administration will take them over, or at least put some men in there, so that the local people will be able to handle it. But that would only run a total of about \$150,000.

DISCUSSION OF NEED FOR CONTINUANCE OF PROGRAM

Mr. WIGGLESWORTH. The basis of this school help was increased population due to the war?

Mr. FIELD. War industries housing.

Mr. WIGGLESWORTH. And war industries moving in from the outside?

Mr. FIELD. That is right.

Mr. WIGGLESWORTH. If that population stays on there indefinitely, you would not advocate the Federal Government's continuing to make this help available indefinitely, would you?

Mr. FIELD. No. As a matter of fact, I think we ought to say this is the last appropriation and end this; but the fact is that the housing and those people are still there. Out on the west coast they have had an increase in population of 25 percent during the war. They are war workers—

Mr. WIGGLESWORTH. Well, perhaps some of them like it, and perhaps they will stay there forever.

Mr. FIELD. Well, they are in Federal housing projects and until those are transferred over to them so that they are on the tax rolls and they get local funds, and the plants are transferred over so that they can get local taxes, they are going to be a burden for someone to take care of.

General FLEMING. I have written to the governors of all of the States asking them to take this up when their next legislatures meet, so that it becomes a burden on the people and not on the Federal Government.

Mr. CANNON. They have all received due notice?

General FLEMING. Yes.

Mr. WIGGLESWORTH. Why should the Federal Government continue as long as you suggest? That is what I am trying to get.

Mr. FIELD. Well, the burden is going to continue at a shipyard where the Government, of their own accord, have let the housing stay there and moved veterans and their families in there, and the housing is owned by the Federal Government and their payments in lieu of taxes are not sufficient to take care of operating schools.

Mr. TABER. Why cannot they collect money out of the people who send their kids to school, as tuition, under those circumstances?

Mr. FIELD. Well, they could.

Mr. TABER. Because this is not a war activity any more.

Mr. FIELD. Well, it was created by the war. You could say the same thing—

Mr. TABER. But it is not going on because of the war.

Mr. FIELD. I do not know—it is an aftermath of the war.

Mr. WIGGLESWORTH. If you take the "aftermath of the war" as the yardstick, as you say, it can go on for life, and logically there is no termination to it. Just because buildings were built there during the war is no test that anything is a war activity.

Mr. FIELD. Except under the Lanham Act they were required to tear those houses down within 6 months after the termination of the emergency, and Congress decided not to tear them down but to let them stay there.

Mr. WIGGLESWORTH. For another purpose.

Mr. FIELD. For another purpose, but the war workers are still living in some of those houses. They are not moving the war workers out.

Mr. CANNON. And their children are still there.

Mr. FIELD. And the children are still there and the schools are there.

Mr. CANNON. You cannot just cut this off the day the shooting stops.

Mr. TABER. I want you to take that list of those projects you have, beginning on page 56, and mark on them and give to the clerk today what kind of Federal activity this is; whether it is Army, Navy, or something else. And I would like to have the clerk submit to the Department involved the list to find out whether or not the war activity is continuing at these places.

Mr. FIELD. Well, each individual project is on pages 59 to 71. We can put after each one of those the activity that is involved. That would probably give it to you better than that summary sheet.

Mr. TABER. All right; then we can ask the War Department and the Navy Department, or whoever else it was, if that war activity is continuing.

Mr. FIELD. That is right.

Mr. TABER. I would like to have that list submitted. I would like to see what there is to this.

(The list was submitted to the committee.)

ADMINISTRATIVE EXPENSES INCIDENT TO LIQUIDATION OF OTHER ACTIVITIES

Mr. CANNON. If there is nothing further on that item, you also are proposing to make available \$1,350,000 of funds now at your disposal for administrative expenses incident to liquidating your activities other than school assistance.

Suppose you give us briefly, Mr. Field, what is embraced in the several Lanham Act titles, and the ones to be liquidated. I see on page 87 you speak of titles II, III, and IV. Just give us a brief résumé of what is included in those several Lanham Act titles.

Mr. FIELD. We have construction of projects that were undertaken under the Lanham Act. As of June 30, there will be 682 construction projects where we have not made final payment. Of that number, 82 will still be in construction, and it is going to take us almost a year to finish a few of those projects. The majority of them will need to have final audits made.

Mr. CANNON. Just a minute. We would like to know here, in a nut shell, just what is embraced in those several Lanham Act titles and the ones to be liquidated. Just give us a quick résumé.

Mr. FIELD. This is our construction program that we have to liquidate, the service programs outside of schools.

Mr. CANNON. What title is that?

Mr. FIELD. In both title II and title IV. Title II is for work outside of the District of Columbia.

Mr. CANNON. You mention here title II, title III, and title IV. First let us take title II: What is title II?

Mr. FIELD. That is our construction and service program outside of the District of Columbia that was operated during the war, that we are now in process of liquidating.

Title III has to do with the disposition of our projects that were constructed federally. We constructed about 1,700 Federal projects. Some of those were leased property. Finally we had about 1,200 of those that we actually owned and were in the act of disposing of. We have disposed of 200 of them.

Title III is the actual disposition of those Federal projects.

Title IV are the projects in the District of Columbia and the main activities there are two big hospitals still under construction, and a few others.

Then the administrative work of making final payments, adjusting claims that are coming in from contractors on Federal construction projects, making settlements with the local communities on non-Federal projects. We have about \$6,000,000 of loans that were made under the Lanham Act. We are now in process of servicing those loans and trying to get them to refund them. On top of that, we still have some projects in the service program that are operating at the present time that we won't complete until June 30, and have to make final payments on those.

Mr. CANNON. Which of those are to be liquidated?

Mr. FIELD. All of the construction, all of the services except schools and the whole Lanham Act program is to be liquidated as fast as we can do it. In fact, we have been in the process of doing it for the last few months. On our property, I might say, we were getting along fairly well, and then someone introduced a bill to give these properties away, and then we get in trouble with the local units who say "Well, we won't give you any money for them." We think we ought to get whatever they can finance themselves and have the ability to finance.

Out of the \$36,000,000 Federal construction we have sold, we recovered about \$14,000,000.

Mr. CANNON. Your policy is to salvage as much as you can?

Mr. FIELD. To salvage as much as we can by selling to the local communities, if there is any need of them further for public purposes.

Mr. CANNON. What do you propose to do with this \$1,350,000; what is the proposal before us here?

Mr. FIELD. The proposal is that we finance the administrative staff that is devoted to the actual liquidating process, and then also the people who are doing a combined job, like myself and Mr. Seward, who are putting part of our time on liquidating and part on planning.

I think, if you have no objection, it might be well to look at one table that shows how the thing is summarized together, on pages 113 and 114, where we have summarized from the green sheets the man years that will be needed for these various programs. We have estimated the man years that are devoted specifically to public works planning, to schools, to the liquidation, and a small amount to the Virgin Islands. Then the other man years are what we call a general administrative expense—people who do a little work on each of those programs. This page shows the central office total of 241.5 man-years; the next page shows our nine division offices, and territories and possessions, a grand total of 689 man-years.

Then, after that was gotten together, it was decided we would ask for funds to be divided three ways; some of the administrative money for planning, some for schools, and some for liquidation.

Then over on the next two pages, 115 and 116, we broke down what we call general administrative expenses into public works planning, schools, and liquidation. This table was gotten together and this information is based on each individual who is now working; the work we have on hand; the work we estimate in the future, and I think on the basis of the number of people it will show up better in summary form on pages 110 and 111.

Page 111 shows the number of people we have had in our Bureau since it was organized in December 1944 and shows the reductions after the Japs surrendered, where we reduced from 1,300 last year down to 767 by the end of June 30, 1946.

On page 110 is our best projection of what the total staff will be for the next fiscal year to administer the planning program, the school assistance program, and the liquidation of our normal operations under the Lanham Act.

Mr. CANNON. Your proposal here of this \$1,350,000—does that contemplate the continuance of the liquidation cost beyond the end of the fiscal year June 30, 1947?

Mr. FIELD. The only thing I can see beyond that time is if we run into trouble in the disposition of property, we may have some items in the disposition of property that will not be finished by that time, and we may have some loans that will not be paid at that time. But it is contemplated getting as much out of the way as we possibly can in this next fiscal year.

Mr. CANNON. There is a possibility, then, you contemplate running beyond June 30, 1947?

Mr. FIELD. I do not believe we will be able to dispose of every one of these projects by that time.

Mr. CANNON. What percentage would remain, do you think?

Mr. FIELD. I think maybe 20 or 30 percent might remain, especially in areas where there is some doubt whether they will be needed at all.

Mr. CANNON. But you are liquidating everything that it is practicable to liquidate?

Mr. FIELD. That is right.

Mr. CANNON. You have had three propositions before us today. You have had advanced planning, schools, and liquidation.

Mr. FIELD. That is right.

Mr. CANNON. And this table that you just mentioned on page 110, does that apply to all three of them?

Mr. FIELD. That takes in all three of them.

Mr. CANNON. Do you have a similar table that would apply to liquidation only?

Mr. FIELD. We have that on these other sheets. That is in many years, I believe. It is difficult to divide by people, because the same person could be working on more than one program.

RATE OF REDUCTION IN PERSONNEL IN COMMUNITY WAR SERVICES

Mr. CANNON. That is one thing we would like to have. We would like to have the number of people to be employed in connection with this on June 30, 1946. And we would like to know how that number will diminish during the fiscal year; what number there will be, if any, if you should continue into the fiscal year 1948. In other words, if you are going to run past June 30, 1947, we would like to know what your estimate is of the number of people you will have. I believe you said that 20 or 30 percent of these projects probably will be remaining?

Mr. FIELD. We think about 30 percent we will still have on our hands at that time.

Mr. CANNON. How many people do you expect to have running into the year 1948?

Mr. FIELD. I have not made any estimate of that, because it will depend entirely on our planning program and how it develops. It is

almost impossible for us to estimate that far in advance when we have three programs to administer.

Mr. CANNON. Let me ask you this question. Would it not be practical, if there is a residue remaining at the end of the fiscal year 1947, to turn over whatever is still undisposed of to the liquidation unit in the Treasury Department, let us say on June 30, 1947?

Mr. FIELD. We do not think so, because we think we will still have to have an administrative staff to take care of our advance planning program and the final payments on advanced planning. The people who are doing that also know this other work. It would be more economical to do it right here in the Federal Works Agency.

Mr. CANNON. To be frank about it, your table on page 110 is not so impressive. In other words, it does not suggest that you are pursuing a very aggressive liquidation policy. It does not seem as though you are going into this thing with the idea of getting through as soon as possible. Your advance planning people are accounted for on this table on page 110, are they not?

Mr. FIELD. That is right.

Mr. CANNON. What about their number?

Mr. FIELD. We do not have these people divided by numbers. But we can give you the man-years, which are shown over on these other tables. It shows that under the advanced planning program, we have got 234 man-years of people, who are devoting most of their time—well, they are devoting none of their time to anything except planning. Then of the people who are doing general administrative work, about 30 percent of their time or 40 percent of their time is devoted to planning.

DISCUSSION OF LIQUIDATION PROGRAM FOR COMMUNITY WAR SERVICES

Mr. CANNON. Let us suppose that the committee—and it is a very present possibility—does not approve the estimate for advance planning. There would be need then, I take for granted, to make some provision for the terminal cost of that force, would there not?

Mr. FIELD. We have an item in here of \$150,000 for terminal leave. If the committee decided that they would not give us any money for planning, we would be in trouble, because we would have to come back and get some money to take care of that.

Mr. CANNON. Will you prepare, or are you prepared to make a recommendation as to what course should be taken in the event the committee should fail to approve a further estimate for advance planning?

Mr. FIELD. I am not prepared now, because we have not made any estimate on that basis. We have estimated this on the basis that there is authority to continue the advance planning and that it should be continued. The President in his message in January said that it should be continued.

Mr. CANNON. If it should not be continued, would it be necessary to carry any such people in a duty status after June 30, 1946?

Mr. FIELD. Yes; because we have got final payments on a lot of these advance planning projects that have to be made. We have the final review to be made.

If you will look at page 111, you will see that we have really brought this activity down to a very small number of people. We started off

with 1,300 and we are down to 767. We have carried on a lot of our liquidation work during this year. If you will remember, last August, we were the first group of the Federal Government to take aggressive steps to stop war activities and turn money back to the Government. We think we have been economical. I think in some ways we have cut down too fast. I think an analysis of what these people are doing will substantiate that statement.

Mr. CANNON. I think you have been economical and I think you have administered this activity well. The only question is, when are we going to quit this? Are we going to quit it now or quit it later on or run into 1948?

I think you should do this, Mr. Field. I do not know what the temper of the committee is. I do not know what they are going to do about the continuation of this advance planning. But I think we should have a recommendation before us here within the next 2 or 3 days covering number of people and money.

Mr. FIELD. You see, when you operate three programs together, you can economize.

Mr. CANNON. We would like to know, in the event that the committee does decide to close this up, what your recommendation would be as to how you are going to take care of all this. I can see that there are some grounds for continuing, but we should like at least to have you be prepared for any contingency and to give us the information so that we can be prepared for any contingency.

Mr. FIELD. I think the general and I have always done the best job we could of administering what the Congress decided to do. I know that for a long time the House has been a little bit shy of this planning program. In the Senate they have always been for it. The bill originally went through the Senate and they have been more in favor of it than some of the Members in the House. We think it is an outstandingly good program. We think if it is not carried on the Congress is going to have a pressure for grants later on that will be terrific. We think it is a sound program and operated economically.

Mr. CANNON. To be frank about it, I have been afraid that this would encourage and produce a pressure for grants; the very fact that the Government is coming in here and assisting them and making plans will persuade a lot of them to think, "Well, the Government is going to help us plan, so they probably will also help us construct." You know, a lot of people think that we are going to have another PWA.

Mr. WIGGLESWORTH. As I understand this table, you are going to have 153 people in the field in addition to the 80 at home.

Mr. FIELD. Those are people who are devoting all their time to nothing but the planning program. We have some others who are devoting part of their time.

On the next 2 pages, Mr. Wigglesworth, you will see that we have \$498,000 for people who are working on both Lanham Act and advance planning, and a certain amount of the service program and the liquidation. We have taken our people and required that they do all of these functions instead of dividing each up separately.

Mr. CANNON. Without any idea at all as to what the committee might do, and with the possibility before us that the committee might follow your recommendation in every respect for the continuation of this activity, but recognizing that there is always the possibility that

it might not do so, I wish you would submit to us in the next 2 or 3 days your recommendation as to what action be taken as to the disposition of the people and the money, and so forth, should the committee decide not to continue this program.

Mr. FIELD. Of course, you realize that if we got no more money for planning, we will still have these projects that are now being planned to complete and to draw up and to make final payment on, and we will have to have a staff to collect the money that has been advanced, at a later date. We have not made any estimates on that basis at all.

Mr. CANNON. Suppose you make those estimates and submit a statement to us in the next 2 or 3 days.

(The matter referred to will be submitted to the committee.)

(Discussion off the record.)

CURRENT COMMUNITY FACILITY CONSTRUCTION PROGRAM

Mr. TABER. I have been over these justifications a little bit and I am going to call your attention to pages 130, 131, and 132 and from then on.

You have nine engineers with no construction going on, as against three and a half.

You have five assistant division engineers for construction as against six and a half with no construction going on.

Mr. FIELD. There is construction going on.

Mr. TABER. Do you mean that there is substantial construction still going on?

Mr. FIELD. At the present time we have 135 projects going on scattered all over the country.

Mr. TABER. Why are they not cleaned up?

Mr. FIELD. Because of the fact that we cannot clean them up that fast. We are trying to do the best job we can. Since September 1945 we have completed 427 construction projects.

Mr. TABER. You have not let any contracts in a year.

Mr. FIELD. That is right; but these projects were under way before the Japs surrendered.

Mr. TABER. What kind of projects?

Mr. FIELD. Hospitals, school buildings, sewer and water systems. We have two hospitals right in the District—Georgetown and George Washington—and because of the shortage of materials they have been held up.

Mr. TABER. You have 9 division counsel. You have 26 district engineers as compared with 8. With your load dropping off, you have more help. It looks just like perpetual bureaucracy to me.

Over on the next page you have 14 maintenance engineers as against 8, and 12 new engineering examiners. The whole picture looks just like a build-up to me. You have administrative officers in here with a big increase. You have chiefs of control sections at a big increase. There is a big increase in the fiscal section. It all looks to me like a build-up. You have project handlers of 14 against 7.9.

Mr. FIELD. Look at the grand total. There is a reduction.

Mr. TABER. You have made some reductions, but if you would make more your figures would be improved.

Mr. FIELD. We have had nothing but decreases for the last year and a half.

Mr. TABER. That is a good trend to keep up.

Mr. FIELD. We have been on that. We are continuing to be on it, but when you change an organization from construction and concentrate on planning you change jobs. You have people doing different things. We showed an increase in property men. Six months ago we did not have property men because we were not in the job of disposal of property. We had the same men on the job of handling construction. If you will look at the grand total, the field has gone down from 607 to 447.

NUMBER OF PERSONNEL

Mr. TABER. How many do you have on the pay roll now in the Department and the field?

Mr. FIELD. Page 111 shows that we have 822 on the pay roll as of April 20. That is about what we have now. We had 1,064 last September. Before the Japanese surrendered we had 1,300. We have brought the number down. Instead of having a separate group to handle our planning, we have moved from one job to another. I think we have done a good job in closing the Lanham program this past year. We have turned back \$19,500,000 to the Treasury. We have another \$11,000,000 which we have saved through our own efforts. I do not think that we have been throwing the jobs away. As a matter of fact, it is hard to keep people on this program. They can get out and get a better job in private industry.

General FLEMING. You referred to this planning as a war measure. It is title V of the war reconversion bill. It is a reconversion measure.

Mr. TABER. We understand that.

Mr. CANNON. Thank you very much, General Fleming.

FRIDAY, MARCH 29, 1946.

VETERANS' ADMINISTRATION

STATEMENTS OF GEN. OMAR N. BRADLEY, ADMINISTRATOR OF VETERANS' AFFAIRS; F. H. DRYDEN, ASSISTANT ADMINISTRATOR FOR CONSTRUCTION AND SUPPLIES; J. J. ROCKEFELLER, DIRECTOR CONSTRUCTION SERVICE; S. M. MOORE, JR., DIRECTOR OF BUDGET AND PLANNING; JAMES B. CASH, CHIEF BUDGET DIVISION, VETERANS' ADMINISTRATION; LEO C. MARTIN, ASSISTANT DIRECTOR, BUREAU OF THE BUDGET IN CHARGE OF ESTIMATES; HARRY GRAEF, JR., BUDGET BUREAU

INCREASED COSTS UNDER CONSTRUCTION CONTRACTS

Mr. CANNON. General Bradley, I understand that you are finding it impracticable to meet the estimated costs upon which appropriations for hospital and domiciliary facilities have been based; that is, that the bids are running considerably more than the amount estimated.

Those estimates go back how far?

General BRADLEY. Some of them were made as long ago as 2 years. These estimates were made about that time, and when it comes to letting contracts the lowest bids are considerably out of proportion to the amount available for a particular project.

Mr. CANNON. Have you a statement with reference to this matter which you can give to us?

General BRADLEY. Yes, sir.

Mr. Chairman and gentlemen of the committee, I am here this morning to explain our plan of proceeding with approved construction projects to the extent that funds have been made available.

Under present procedure there are four major steps, each requiring Presidential approval, in the planning and construction of a hospital.

First, formulation of an advance requirement of total beds, by types, to serve as basis for annual construction programs. This requirement is jointly developed by the Veterans' Administration, Federal Board of Hospitalization, and Bureau of the Budget, and submitted to the President for approval. The annual construction program authorizes acquisition of the total number of additional beds to meet requirements to a specified date. It also stipulates project distribution by number and type of beds and location and the method of acquisition. The program is reviewed by the Federal Board of Hospitalization and Bureau of the Budget, and approved by the President. No change can be made in any project or size of program without resubmission to the President. Second, control of scope of projects through appropriation estimates. In support of each appropriation estimate covering an approved program, the Veterans' Administration furnishes a complete itemization of all buildings and major improvements included for each project and the estimated costs thereof. The Bureau of the Budget advises the Veterans' Administration of all changes and deletions made in the scope of these projects at the time the President approves the appropriation estimate. It is considered that this action places a control over the detailed scope of each project and provides the basis for Bureau of the Budget review of the execution of the program. The Veterans' Administration furnishes the Appropriations Committee a list of the projects and the proposed location and estimated cost of each. Third, upon recommendation of the Federal Board of Hospitalization and the Bureau of the Budget, the President authorizes the acquisition of a specific site at the location specified for each new project in a program and approves the obligation of the necessary funds for purchase. Fourth, when the project has reached the stage where the Veterans' Administration has determined cost of construction and is prepared to award a contract, request for authority to obligate funds for the project within a specified maximum amount is submitted through the Bureau of the Budget to the President for approval.

It is proposed that the Administrator of Veterans' Affairs, subject only to general policies approved by the President, such as the use of existing Government facilities and proximity to medical center, will assume responsibility for selection of the specific sites for hospitals:

It is further proposed that within the funds available for the program as a whole, projects approved as to size and type by the President shall be initiated without further approval, even though the cost may exceed that of the individual project estimate. This would apply only to a project whose scope has not materially changed. It is

contemplated that approval would be obtained from the Director of the Bureau of the Budget prior to initiation of a project in which a major change in scope occurs subsequent to Presidential approval.

The necessity for authority to initiate individual projects even though the cost exceeds the approved appropriation estimate, is highlighted by recent bids for the 150-bed hospital at Grand Junction, Colo., amounting to approximately \$2,800,000, as compared to appropriation estimate of \$1,400,000, and also by the 400-bed hospital at Providence, R. I., where the low bid was \$5,000,000, and the appropriation estimate only \$3,200,000.

It is proposed that future estimates for construction appropriations will consist of two parts:

(a) Request for funds for new projects not previously appropriated for;

(b) A statement on all projects previously appropriated for but not completed, showing the relation between the funds appropriated and the requirements to complete the projects.

This should reduce the number of appropriation estimates, eliminate the possibility of obsolete projects remaining in the program indefinitely, and place the whole construction program on a liquid basis each year.

Our plan of using available funds to complete as many of the approved projects as possible, without further individual approval of costs, and initiating only those projects for which, based on the latest engineering estimates, there are appropriated funds available for completion, has been discussed with representatives of the Bureau of the Budget. Mr. Martin is here to state the position of that agency on our proposal, and Colonel Dryden, of the Construction Service, and Mr. Moore, our budget officer, are here to answer detail questions as to the difficulties which have been encountered under present procedure.

Mr. CANNON. The cost of construction has advanced very materially since these estimates were made, and you have not been able to get bids within the amounts contemplated by the appropriation.

General BRADLEY. That is right.

I think I might illustrate that by giving you two instances. One was in the case of a 150-bed hospital at Grand Junction, Colo., where the lowest bid was about \$2,800,000, as compared with an appropriation estimate of about \$1,400,000.

There is also a 400-bed hospital at Providence, R. I., where the lowest bid was about \$5,000,000, and the appropriation estimate was approximately \$3,200,000.

Those are two illustrations that have just come up, and we estimate that there will be others, practically all of them will considerably overrun the estimates that were made some time ago.

The question comes up as to what to do in this matter. We have a certain amount of money appropriated for hospitals, and the question is as to whether to build as many as we can with this increased cost, and then ask for a deficiency to build the rest of them, or whether we should come back in the case of these hospitals for a deficiency before we get any of them started.

It looks like it would be better to do the best we can, expecting higher cost, so as to get some of them going, and then report to you later as to how many we can build out of the total amount now appropriated for hospitals.

Mr. TABER. It appears, and I presume this will run through in about the same way in all of these hospitals, that you have bids double the previous estimates, and in other cases 50 percent above previous estimates, and all that sort of thing.

It would seem to me that probably with the bids 100 or more percent in excess of the estimates, they were probably a little out of line. That would naturally be the assumption, and those that were down closer might be all right, with present-day conditions. It would look to me like it would be a case where those who are familiar with what should be right ought to be able to tell us the ones you could move on.

General BRADLEY. We would have to study each of them to see whether we could relet these bids.

Mr. TABER. You would not want to have a good deal more in proportion than it should be?

General BRADLEY. That is right.

Mr. CANNON. In inviting bids, you give the widest publicity and greatest opportunities for bidding, so your bidders are not confined to possibly a few contractors, but your invitations to bid are open to the entire industry, to everyone with construction facilities available?

General BRADLEY. That is the general purpose.

Mr. DRYDEN. We send out about two hundred copies of plans and specifications for these projects and have Nation-wide coverage in soliciting bids. We encourage reputable people to bid.

Mr. CANNON. There were two projects thoroughly advertised?

Mr. DRYDEN. These were the two.

Mr. CANNON. How many bids did you receive on each project?

Mr. DRYDEN. On the Grand Junction project there were only three bids received out of the 200 circulars sent to prospective bidders.

The range of the base bids included one of \$2,239,000, one of \$2,343,000, and one of \$2,643,000.

Mr. CANNON. You do not think there could have been any collusion?

Mr. DRYDEN. No, sir.

Mr. CANNON. How do you account for the fact that out of all of the contractors only three bid on that proposition, which ordinarily would be considered a rather profitable contract, considering the work involved?

Mr. DRYDEN. Bids have a relation to the geographical area. This particular project is in Grand Junction, Colo. Bids have a relationship to the price fluctuations, to the inability to obtain, fixed contractual protection.

On this particular job, we asked the Chief of Engineers of the Army to check over the plans and specifications and reevaluate it independently so as to indicate whether the price represented a fair cost to the contractor.

In the report of the Chief of Engineers he says:

A review of the plans, specifications and bids for the Veterans' Administration hospital project at Grand Junction, Colo., has been made as requested and the bids received indicate they are in line with prevailing costs for this type of construction.

Mr. CANNON. Is this a permanent or a temporary situation? Of course, we understand we are right at the end of the war period and at the beginning of reconversion, and we realize that neither labor nor material availability has been adjusted. Do you think if we should wait, say, not more than 6 months, that the labor market

would be more stable and that the materials market would be more plentiful?

General BRADLEY. I am afraid I am not enough of an economist to give you a very good answer, sir, but I understand that the costs have gone up quite materially in the building industry in the last 6 months. Whether there is any chance of their going down in another 6 months I do not know. I have talked informally with contractors and other people interested in building, and they say they are not interested in the question due to the demand for labor for the time being.

Mr. CANNON. Is it not likely that 6 months from now when contractors know what they could have, both in labor and material, you would be in a position to get better bids?

General BRADLEY. I would not hazard a guess on that.

Mr. CANNON. Is it your opinion that this increase, General Bradley, is a part of a general inflation throughout the country, or that it applies merely to building material and the costs of construction?

General BRADLEY. I think we all agree that everything is going up, and there is a general demand for wages to go up 15 percent or 20 percent. There is an attempt to try to increase the prices to take care of costs, and I doubt whether they will go down.

Mr. CANNON. Our friend Mr. Dryden referred to the geographical factor in this matter; the fact that in some respects Denver might be considered a little bit isolated. Have you asked for bids on a structure in the East, where there are more contractors available?

Mr. DRYDEN. The Providence, R. I., hospital was put out on the same basis. One general contractor bid on this job.

Mr. TABER. How did that compare with the previous estimate?

Mr. DRYDEN. The Budget estimate on that was \$3,200,000, and the low bid was about \$4,900,000.

Mr. CANNON. General, do you not think it would be bad business, when these costs are so high, for the Government to go ahead right away and build, but rather wait until reconversion had advanced considerably more than it has? Would it not be a bad idea to accept a bid when only one bid was offered and it doubles the estimated cost?

I think that is conclusive evidence of the fact that the whole industry is somewhat disorganized, and why they are refusing to bid. They do not know on what they may depend. It does not stand to reason that in a contract of this size, here in the East, where there is such a demand for Government contracts, that we should get only one bid. There must be something wrong. You do not think there was any collusion there?

General BRADLEY. We have no evidence of it.

Mr. CANNON. It seems to me it would be a mistake for us to accept a bid at this time under those conditions. We should wait until conditions are closer to normal.

What would be the effect upon the hospitalization program by a delay of not more than 6 months. Have you not some temporary facilities to take care of this situation for 6 months more, until you could advertise under more normal conditions for further bids?

General BRADLEY. We have been able to solve it temporarily in some places where we can take over Army surplus hospitals, where we can staff them. In a lot of these places the demand is great, but we cannot staff any hospital in that vicinity.

Mr. WIGGLESWORTH. You spoke of the difficulty of getting a reasonable bid in Providence, but you have, as I understand, a temporary Army station at Camp Miles Standish, which is 19 miles outside of Providence.

General BRADLEY. Yes; but when you start staffing anything 19 miles outside of a town you will be in difficulties.

Mr. WIGGLESWORTH. How many beds has that temporary hospital at Camp Miles Standish?

General BRADLEY. I do not have the figure here. I came up to discuss the principle of this thing, and I do not have the detailed figures.

Mr. CANNON. In your statement you refer to a large number of projects, some of them going back to 1945, but still you come here with only two projects and on one of them only one bidder.

Have you not any more information than that?

General BRADLEY. I have merely cited those as instances. We had one bid at Hines, Ill., which was three times the estimate. There is also one at Sioux Falls. That was let before I came on the job. The estimates at Hines, Ill., were so high that they threw them all out and revised the plans and will ask for bids on the new plans. There have been several instances of that kind.

Mr. CANNON. Before the war, when we advertised for projects of this character—the construction of a large building—we had many bids. Regardless of the advancing cost of construction, why should we not have as many bids as we had before, based upon current conditions? In this case you sent invitations to bid to 200 contractors, and they can make money legitimately, and you have only one bid. Certainly there is something peculiar about that.

General BRADLEY. I cannot say anything more than I have said before.

Mr. CANNON. Have you not had your staff analyze the situation which results in receiving 1 bid out of 200 invitations to bid? What is your best opinion, as man to man, of the cause of that situation?

General BRADLEY. That many of these contractors are not interested in such a job at this time.

Mr. CANNON. They certainly have a right to get the business. They have all their equipment on hand; time and interest are running against them, and depreciation is going against them. It is to their interest to get contracts, and the fact that the cost of construction has increased should let them increase their bids. Why have they not bid?

General Bradley. I think it is because of the uncertainties of the situation.

Mr. CANNON. Is this the program upon which the 1947 appropriation was based, and is it still the program, or has it been modified in any way, and if so, in what respect?

General BRADLEY. You mean as to the type of hospitals?

Mr. CANNON. The entire program. We made an appropriation in the 1947 act, or the Subcommittee on Independent Offices recommended an appropriation under the 1947 act, which was passed, and I think it might be well for you to keep yourselves in touch at all times with just what the situation is.

The Independent Offices Appropriation Act for 1947 appropriates for new hospitals, \$127,993,019. This was on the basis of an esti-

mate submitted to the committee at that time. It also appropriates for additions to existing and authorized hospitals \$5,499,176, and for one project for conversion it appropriates \$711,215, or a total of \$134,203,410; less, resulting from changes in the 1946 program, causing reductions and additions, making a net reduction of \$6,534,694, which left as a total in round figures, \$127,668,000. To that was added an amount for major reconditioning, replacement and construction of non-bed-producing projects in the amount of \$19,774,500, which made our appropriation for this purpose in the Independent Appropriation Act of 1947 amount to \$147,442,500.

That is in conformity with the program which came to us, and the idea was that the estimates were adequate to do the building contemplated, but it seems that amount is now inadequate by practically 100 percent. In other words, that the cost less than a year after the estimates were made, has doubled.

Would you say that the trend is still upward, General?

General BRADLEY. I think they are going up. There has been no change in the program. That is still our plan to construct those particular hospitals.

Mr. CANNON. And that plan has not been modified in any way?

General BRADLEY. No.

Mr. CANNON. And the cost you now get is exactly on the basis of the costs for which estimates were originally made?

General BRADLEY. That is right.

Mr. CANNON. Your difficulty here is not caused by any modification of your plans as presented to the Independent Offices Subcommittee, but it is occasioned entirely by increased costs to accomplish the same work?

General BRADLEY. Yes.

Mr. CANNON. You say you have not analyzed it sufficiently so that you can tell us why all these contractors whose business it is to construct, and whose profits depend upon keeping their men busy and their equipment employed, do not bid. What do you really think is the reason they are not bidding?

General BRADLEY. I think it is because of the unstable condition in the labor market, the cost of material, and the availability of material.

We can conduct a survey on that, if you like, and send out a questionnaire.

Mr. CANNON. I am surprised that you have not done that heretofore, because that is the basis of the whole matter. Of course, what we would like to know now is this: If you waited a spell, say not more than 6 months, and the situation settled sufficiently, would you have more bidders? Of course, we know that things now are in an unsatisfactory and unstable condition, but we know that things will settle materially in the next 6 months. If we waited that long would that materially interfere with your hospitalization program?

General BRADLEY. Yes; I think it would. As you know, we have been severely criticized for not having a sufficient number of beds to take care of veterans.

Mr. CANNON. There are no more veterans now entitled to hospitalization in veterans' hospitals, are there?

General BRADLEY. At the end of February there were 21,000 veterans awaiting hospitalization who had requested it.

Mr. CANNON. And their applications had been proessed and you had found they were entitled to and should have had hospitalization?

General BRADLEY. That is right.

Mr. CANNON. Is that number inereasing or decreasing?

General BRADLEY. It has been inereasing each month. We have about 7,000 more each month than we had the month before.

Mr. CANNON. Have you made proper efforts to seeure temporary accommodations for them?

General BRADLEY. Yes; we are trying to contract with eivilian hospitals to take them in, where they are serviee-eonneeted.

Mr. CANNON. What about the Army and Navy hospitals?

General BRADLEY. We have asked them to give us as many beds as possible. The Army has promised to give us 5,900 and the Navy 9,000 by September.

Mr. TABER. They must be giving you more than that now, are they not?

General BRADLEY. The total is about 7,700 at the present time.

Mr. TABER. Out of the two serviees?

General BRADLEY. Yes.

Mr. CANNON. In your opinion, then, unless a eontraet is let at once, regardless of the eost of eonstruetion, men entitled to hospitalization will be denied hospitalization?

General BRADLEY. That is right. Of eourse, the number requesting hospitalization will inerease beeause there are so many veterans out of serviee.

Of the 21,000, only about 600 are serviee-eonneeted eases, and the others, the non-serviee-eonneeted eases, are beyond the eapaeity of the hospitals for hospitalization.

Mr. CANNON. I think, regardless of whether they are serviee-eonneeted or non-serviee eonneeted, they should be hospitalized if they need it.

Mr. O'NEAL. General, have you a staff down there that is instrueted, or has the experience, to properly analyze the present situation as to why the eosts are as high as they are, or have they attempted to? I am not refleeting on their ability.

Mr. DRYDEN. We might use the Grand Junetion projeet as a sample. On this partieular job our staff reestimated the projeet. Then to eheck their estimates of eosts we presented this to the Chief of Engineers and had his staff do the same job.

Mr. O'NEAL. As I understand it, that has been done. Your estimates were made as of what date?

General BRADLEY. The estimate was made in July 1945.

Mr. O'NEAL. In July 1945 there had been a tremendous inerease in building in the labor eosts up to that date. Your estimate was based on building eosts or labor eosts as of July 1945, I presume?

Mr. DRYDEN. That is right.

Mr. O'NEAL. Between that date and the present date I think 10 percent in building eosts and labor eosts would probably be a too liberal figure as to the amount of inerease. Would you not say so?

Mr. DRYDEN. I think it would be greater.

Mr. O'NEAL. It would not have to be greater between July 1945 and now, than between 1941 and now, and now they might not run 35 pereent, but I think I have heard estimates on that figure; but between July 1945, when the estimates were made, and now—they

must have been based on costs as of that time, but there has not been anywhere near a 100 percent increase. It seems to me you should be able to deduce some real information on that.

Mr. DRYDEN. The base estimates in 1945 were put at 66 cents per cubic foot.

Mr. O'NEAL. What would they be today?

Mr. DRYDEN. They would be about \$1.10.

Mr. O'NEAL. Do you mean that since July 1945 they have gone up that much?

Mr. DRYDEN. Those are the figures.

Mr. O'NEAL. What is the difference between July 1941 and July 1945? Based on the figures you gave, you would have the cost of labor and material going up 100 percent. It seems to me there is something wrong about those figures.

Mr. DRYDEN. I would like to quote the testimony of Col. George E. Ijams as it appears on page 206 at the hearings before the subcommittee of the Committee on Appropriations on the first deficiency appropriation bill for 1946 relative to the cost of construction as follows:

While the cost of construction work varies according to type, location, etc., the average accomplished by the Veterans' Administration throughout the several years since 1938 for contracts awarded is as follows:

	<i>Per cubic foot</i>		<i>Per cubic foot</i>
1938-----	\$0. 394	1942-----	(¹)
1939-----	. 424	1943-----	\$0. 519
1940-----	. 502	1944-----	. 520
1941-----	. 476	1945-----	2. 668

¹ A figure has not been indicated for 1942, since construction comparable to that now contemplated was not accomplished in sufficient volume to indicate an average cost throughout the year. This was due to War Production Board restrictions.

² While in 1945 the average thus far is shown, bids have been received in excess of \$1 per cubic foot for work similar to that anticipated in connection with the hospitals for large metropolitan areas included in this program.

A bid received by the Veterans' Administration with respect to the cost in 1945 was for a hospital at Reno, Nev., at 81 cents per cubic foot.

Mr. O'NEAL. If it is 81 cents, that is 14 percent more than 67 cents. But you have a 100-percent increase between your estimate and the bids you received. That is for materials. What about labor?

That is probably about the same?

Mr. DRYDEN. It is probably about the same.

Mr. O'NEAL. The principal cost on your building is labor, primarily, and the material cost is secondary. Taking about a 14-percent increase between your estimates up to the present time, that was about 100 percent more.

It seems to me some inference should be drawn there which could be worked on.

Mr. DRYDEN. There is also the risk.

Mr. O'NEAL. This increase is not due primarily, apparently, to the increase in the cost of material and increased labor cost. It is due to other factors, and now the question is, What are those factors?

I am not a building expert, but it seems to me, so far as the experience I have had is concerned, that that is due to the fact that the bidders do not know whether they can get the material; they do not know what they are going to get, due to the OPA and other regulations:

I think the only solution is to go at the whole subject with a different approach, from a different viewpoint.

Suppose the Federal Government is calling for bids for a hospital at a particular location, and they will say, "We will guarantee you a continuity of material and delivery." Then, based upon that, you will have bidders willing to take a chance. They do not want to deal with OPA and have the uncertainty of production. It is the uncertainty of business, not being able to handle those things with any degree of certainty and particularly so in the matter of costs, because you need to know whether the cost is going up—it is that uncertainty that makes the situation difficult.

If you have some conference with the price-making authorities and analyze business conditions, then you can be in a better position to let bids.

Mr. DRYDEN. I think that is a very timely suggestion. We have prepared in the last week what we call an escalator clause in each contract which would give protection if the price of labor went down.

Mr. O'NEAL. With the same sort of a guaranty if the price went up, and providing for continuity of flow.

They will not take a chance on a contract of any appreciable size and take all of the hazards. It will probably mean bankruptcy for some of them. Nobody likes to do that sort of thing or be in that sort of a condition, but under certain conditions it is the only way a contract can be handled. People will not assume all of the hazards.

They are not authorized under the law to build under cost-plus-fixed-fee contracts, but have they considered doing it?

Mr. DRYDEN. We have thought about that.

Mr. O'NEAL. According to Mr. Dryden's statement, between July 1945 and the present date, there has only been a 20 percent increase in cost, but the bids are 100 percent higher, and that shows definitely what it is in the minds of these men who build hospitals.

I think, Mr. Chairman, an approach to this is to figure on something in a different way of doing that work providing, say, for the over-all cost plus a fixed fee or by the Government arranging for production and delivery so that a man will be protected, and in that way I think you will cut down this increase by 50 or 75 percent under what it is today. That is just an opinion of mine which might or might not work out.

Mr. KERR. Have you acquired the sites on which to build these two hospitals?

General BRADLEY. Yes.

Mr. KERR. The title is already in the United States?

General BRADLEY. Yes; both of them are clear.

Mr. KERR. There has been a real acquisition of the sites at these two places?

Mr. DRYDEN. At Providence it was a donation to the Veterans' Administration of 40 acres.

Mr. KERR. That site cost you nothing?

Mr. DRYDEN. Yes; that is right. At Grand Junction, the property there was donated, and there are 40 acres involved.

Mr. MAHON. General Bradley, the Army engineers have estimated on the construction work under flood control and rivers and harbors. Have you made any investigation as to whether or not the increased cost which you are encountering is being encountered by other agencies in about the same proportion?

Mr. DRYDEN. In that connection we noticed in the morning papers that the George Washington University Hospital is being built at an increased cost. The figures we obtained this morning, compared with ours, indicate that the cubic-foot cost of that hospital was about \$1.20. The cost we had for the Providence, R. I., hospital was \$1.14. The contract for the George Washington University Hospital was awarded, I understand, about 6 months ago. I think these prices reflect conditions in the current market.

Mr. MAHON. Have you contacted a Government agency like the War Department?

Mr. DRYDEN. We find that these figures represent what they are encountering for the same type of construction.

Mr. MAHON. The Army engineers tell us that they did not have enough money in some instances for planning, and that the planning was poorly done, and that that was why they find themselves confronted with these costs.

One explanation that has been given is that the Veterans' Administration in prior years has done a bad planning job. Is that so?

Mr. DRYDEN. No, there were very adequate and complete plans for the jobs in question.

General BRADLEY. When we made our estimate about a year ago it was made at 67 cents.

Mr. MAHON. It seems to me that this is a most astounding increase. How much money is involved in this construction program, approximately, about which we are talking?

General BRADLEY. The total over-all appropriated and in the 1947 bill—the total amount is about \$420,000,000.

Mr. MAHON. That is the money available for hospital construction?

General BRADLEY. Yes. With the other appropriation bill already passed.

Mr. MAHON. That has gone to the President. We are talking about the \$400,000,000 worth of construction.

General BRADLEY. Yes.

Mr. MAHON. That means there will be an additional cost to the Government perhaps of \$200,000,000. That is the figure we are talking about.

Mr. MARTIN. We do not expect it to be that high.

General BRADLEY. The 1947 estimates were based on 75 cents per cubic foot. These particular figures were based on 67 cents. There will not be quite so much difference there.

Mr. MAHON. Is it inaccurate to say there will be a 50-percent increase over the estimate and appropriate costs of about \$400,000,000?

Mr. MARTIN. We hope it will not run 50 percent.

Mr. MAHON. In the construction program if we decided to build a hospital at some point, and the extent of the increase in cost had nothing to do with the need, why can you not say the increased costs are tremendous at this point, so we will go to a place where the cost is more or less in line with the estimates? It seems to me that would be common sense.

General BRADLEY. These were based on priority of the needs in that place at that time. They were set up by this particular order before I came onto the job.

Mr. MAHON. I think, Mr. Chairman, it will be helpful if we had the best estimate we could get as to how much more money may be

required by way of a deficiency to complete the \$400,000,000 program. Can you give us such an estimate?

Mr. MARTIN. The program is being reviewed in order to arrive at that figure.

We hope as time goes on and when we see the effect of this limitation order, that larger contractors who heretofore have been hesitant about entering the market on Federal construction, until they knew what the supply situation would be, will show more interest in Government work.

We think that under this limitation order there will be a minimum of large construction projects, except for housing, and we think we will get better bids. In our opinion the total deficit under this large program may not be as high as indicated by the two bids on hand right now. There are many factors involved that affect current prices. I think that everything that Mr. O'Neal has said is true.

Mr. MAHON. If you want to take a figure out of the air, the cost, according to our best judgment, would be about what?

Mr. MARTIN. Our guess would be about \$100,000,000.

We think we can avoid a number of supplementals if we followed a procedure which would set up at one time, that is at the time of the regular appropriation hearings, the whole fiscal situation that confronts the Veterans' Administration.

In other words, this is the picture as you have it today. The amount of money the Veterans' Administration had on February 11 for new obligations was \$294,000,000. There is pending in the 1947 bill \$147,000,000, making about \$441,000,000 for new obligations. That is more money than they could possibly spend in the next 12 months, and they know it. But we realize that the Veterans' Administration, on the basis of what they intend to build and the estimate they presented to you when they asked for the appropriation will require further supplemental appropriations. They are now faced with the problem of either canceling projects or delaying the program and carrying it out piece by piece and asking for supplemental appropriations.

We believe that during this emergency period the Veterans' Administration can present a complete picture every year, not only in new projects asked for, but also information as to the number of projects that are under contract and previously authorized with the revised costs on the basis of the current bids, together with a statement of the amount of money they have available for new obligations, and that would show up as a part of the annual estimate.

Mr. MAHON. It is your opinion, if you were asking now for additional appropriations to cover the complete cost, that you would have to ask for more money because of the present uncertainties, and that after you cut those costs, or they begin to recede, you will have better competition in the bidding?

Mr. MARTIN. That is our opinion, definitely. I do not know whether the Veterans' Administration goes along to the extent that they will get better bids, but from the information from other agencies, I think there is every reason to expect that after the market stabilizes and as the supply picture improves, we will get more competition for these hospitals.

Mr. MAHON. Is this \$100,000,000 figure that we picked out of the air, estimated upon the immediate future, or is it on the basis of a long-distance program?

Mr. MARTIN. It is on the basis of a long-distance program as previously presented to Congress.

Mr. MAHON. As to your construction, Mr. Dryden, if Mr. O'Neal's idea should be adopted and the Government could work out a procedure for the contractor and he would know he could get this stuff and go ahead with the construction, your problem would be practically solved?

Mr. DRYDEN. We think it is essential to do that.

Mr. TABER. Mr. Martin, what is your relationship to his set-up? Are you in the Veterans' Administration?

Mr. MARTIN. No, sir; I am with the Bureau of the Budget, which is going to be pressed for action on numerous supplemental estimates under present procedure.

We think that the present procedure is one which is not conducive to the best administration of this emergency program.

Mr. CANNON. I will say to the committee that I invited the Bureau of the Budget to be here this morning, and Mr. Martin comes as a representative of the Bureau of the Budget at my request.

Mr. TABER. That is all right, but I wanted to get the picture so that I would know just what it was. I have known Mr. Martin for over 20 years.

I am wondering whether we could have this information. I do not know whether it should be in the record, but I would like a list of each of the projects you have passed upon, with the amount in the first column. I would like the amount of the estimate that was involved in the submission to the Congress.

In the second column I would like the date on which bids were received, and in the third column I would like the amount of the bids that were received in order, that is, the low bid first.

Mr. MARTIN. We can give you that.

(The statement referred to may be found on pp. 83 et seq.)

Mr. TABER. I would like some other information, if I might have it, for the use of the committee, and I likewise do not know whether it should be in the record. There are other items that should be asked for, but these occur to me.

I would like them as of April 1, 1945, July 1, 1945, and presently. I think Mr. Martin would know where to get them.

I would like to have the prices of cement by the barrel. I would like to know the price of the type of brick you use by the thousand. I would also like to have the price of the routine type of hemlock, spruce, and pine by the thousand feet that you would use.

I would also like to have the wages of carpenters, mechanics, plumbers, roofers, and common labor, if you could give us those figures, giving us a table with three columns for those three different dates.

Are you in charge of this program, Mr. Dryden?

Mr. DRYDEN. Yes, sir.

Mr. MARTIN. We will give you that information.

(The statement requested may be found on pp. 83 et seq.)

Mr. WIGGLESWORTH. General Bradley, I am a little bit alarmed about your testimony that we only get 14,900 beds from the Army and Navy to help out on this matter. When you were here 3 months ago you looked forward to having an excess of about 25,000 patients as of July 1 and I asked you at that time if you figured you can handle an excess load outside of veterans' hospitals. Your reply was "Yes,

if we do not have an extension of the NP cases; but I am not sure about that."

General Hawley added, "That is correct." This picture here this morning is alarming by comparison.

General BRADLEY. We had hoped to get 10,000 beds each from the Army and the Navy, but due to rapid demobilization and other causes, and prices also, they have not been able to furnish us those beds.

Mr. WIGGLESWORTH. So you are only getting 14,900 instead of 20,000?

General BRADLEY. I do not have the exact figures. It is between 7,000 and 8,000.

Mr. WIGGLESWORTH. As compared with 20,000 you expected?

General BRADLEY. We had hoped to get 20,000 by the end of the summer. The Navy says they think they can furnish 9,000. We are expecting to get reports from the Army, but we have not received a final reply. But they do not think they can, because of rapid demobilization and also of the extent of closing down Army hospitals, that they can give us what they thought they could.

I am hoping with the Navy set-up of their permanent Medical Corps some time ago that they have secured doctors. The Army has not yet set up their permanent peacetime Medical Corps, and they do not have the complete Medical Corps for peacetime operations, and that is why, as I understand it, they will not be able to furnish what they thought they could by the end of September, and we will not be able to get what we expected from the Army by that time.

Mr. WIGGLESWORTH. Do you expect a decrease in your load from now on, with spring coming on?

General BRADLEY. I doubt it, because most of these admissions are for operations of various types that are not affected by the weather. (Discussion off the record.)

Mr. WIGGLESWORTH. Is there a limit of cost specified anywhere with respect to individual veterans' hospitals?

General BRADLEY. No.

Mr. WIGGLESWORTH. The only limit is what the Veterans' Administration face when they come before the Bureau of the Budget and the Appropriations Committees of Congress?

General BRADLEY. That is right.

Mr. MAHON. Please note this: We should have the approximate amount of hospital-construction contracts which have been made, let us say, during the last 12 months, and then we ought to know the sum by which the contracts that have been let during the last 12 months have exceeded the estimates of cost which were previously made by the Veterans' Administration.

Mr. CANNON. And also include the cost per cubic foot.

Mr. MAHON. Yes.

Can you tell us about the last 12 months in reference to that matter?

Mr. DRYDEN. Yes, sir. We have, for instance, the cost at Reno of 81 cents.

Mr. MAHON. I am talking about the whole picture.

Mr. MARTIN. I think the Veterans' Administration or Bureau of the Budget can work that out.

Mr. TABER. When you get those figures for me, with that table I asked for, be sure that the figures are comparable. That is, if you give the price of cement as of some particular place as of April 1, be

sure that it is the same place that you will refer to as of July 1 and presently. Likewise, will you do the same thing in connection with the wage prices? If you give one figure from one place, and do not go to some other place and give the wage figure for the same time or some other time, but give it as of the same time and place.

Mr. CANNON. You have come before us today, General Bradley, to get the proper approval of this committee to go ahead and make these contracts regardless of the amount by which they exceed the estimated costs. In other words, to add inflationary figures, and this committee is not in a position to authorize you to go ahead and let contracts at these exorbitant increases.

My suggestion and my request is that in accordance with the suggestion of the gentleman from Kentucky (Mr. O'Neal) that you ask for further bids, and I will ask the gentleman from Kentucky to indicate the form in which these bids should be requested.

Mr. O'NEAL. I would like to know what could be done under the cost-plus-a-fixed-fee basis, and whether you think that possibly it might reduce the cost.

General BRADLEY. Yes, sir.

(Discussion off the record.)

General BRADLEY. I would like to know just what you would want. We want to do what you want us to do in this matter because we are vitally interested in it, and we want to get some guidance because with \$420,000,000 we can build a certain number of beds. We cannot build all we want to build or ought to build. We would like to know whether with this amount of money we can go ahead and build as many as we can out of the money available and come back for what is necessary.

Mr. CANNON. We are not authorized to give you that green light, General Bradley. We would have to take a resolution into the House to increase the building cost to that extent.

We are asking you now to come up at your earliest opportunity and give us your request based upon the result of your studies so we can take action at the earliest date that can be arranged.

General BRADLEY. You want us to submit that in accordance with——

Mr. O'NEAL. We want a figure under which you can do more effective and more economical work, and give that to us.

Mr. MARTIN. If General Bradley feels that it is necessary for the Veterans' Administration to have priority of materials, you would want that?

Mr. CANNON. In any event, we would have to get a resolution through both Houses, no matter what we do, and the quicker you can let us have all this material the quicker we can get the resolution through.

(The information requested during the hearing is as follows:)

COMPARATIVE DATA ON RECENT VETERANS' ADMINISTRATION HOSPITAL CONSTRUCTION COST EXPERIENCE AND ON LABOR AND MATERIAL COSTS AS REQUESTED BY MEMBERS OF THE COMMITTEE ON APPROPRIATIONS

HOSPITAL CONSTRUCTION

In accordance with requests of Mr. Taber and Mr. Mahon, the attached tab A has been prepared by the Veterans' Administration showing the individual hospital construction projects on which awards have been made or bids received and rejected during the period February 1945 to March 1946.

Total estimates for the 12 projects amount to \$26,108,340.

The total of low bids for these projects is \$35,211,282.

The total of low bids exceeds total estimates by 35 percent.

The total of high bids exceeds total estimates by 59 percent.

In order to provide more comparable figures, the estimates tabulated for new hospital projects are net, i. e., estimated amount to be paid the contractor, excluding allowances for Veterans' Administration extra overhead and contingency related to hospital construction. Net figures, where used, are approximately 6 percent less than estimates upon which the appropriation was based.

LABOR AND MATERIAL

Information requested by Mr. Taber is attached as tab B to show established hourly wage rates for labor and ceiling prices of building materials at New York, St. Louis, and Seattle, for April 1945, July 1945, and April 1946. This table was prepared by the Veterans' Administration with information secured from the Department of Labor.

It must be noted, however, that established hourly wage rates and ceiling prices for materials do not; in fact, reflect the actual extent of increased costs to which contractors are subject, particularly on large contracts, in maintaining a required production rate under employment conditions in a tight labor market or in getting scarce materials delivered on the project in accordance with working schedules.

TABLE A.—List of projects for which awards have been made and bids received and rejected during period February 1945 through March 1946

No.	Description	Veterans' Administration estimate	Bid	Bids received	
				Per cubic foot	Total
1	Gulfport, Miss., hospital.....	\$488, 124	First.....	\$0. 643	\$519, 554
	Addition of 164 neuropsychiatric beds.....		Second.....	. 644	519, 962
	Estimate prepared Dec. 4, 1943.....		Third.....	. 653	528, 470
	16 bids received Feb. 20, 1945.....		Fourth.....	. 653	528, 546
	Low bid 6.5 percent in excess of estimate.....		Fifth.....	. 662	535, 712
	High bid 41 percent in excess of estimate.....		Sixteenth.....	. 837	687, 912
2	Bedford, Mass., hospital.....	500, 000	First.....	. 78	461, 267
	Addition of 83 neuropsychiatric beds.....		Second.....	. 788	465, 187
	Estimate prepared Dec. 4, 1943.....		Third.....	. 821	485, 974
	19 bids received Mar. 27, 1945.....		Fourth.....	. 838	496, 835
	Low bid 7.8 percent below estimate.....		Fifth.....	. 845	497, 354
	High bid 26.3 percent in excess of estimate.....		Nineteenth.....	1. 065	631, 545
3	Tomah, Wis., new hospital.....	4, 880, 000	First.....	. 64	4, 920, 230
	1,336 neuropsychiatric beds.....		Second.....	. 651	5, 009, 298
	Estimate prepared Dec. 4, 1943.....		Third.....	. 672	5, 165, 480
	13 bids received Apr. 19, 1945.....		Fourth.....	. 68	5, 223, 343
	Low bid 1 percent in excess of estimate.....		Fifth.....	. 705	5, 443, 891
	High bid 21 percent in excess of estimate.....		Thirteenth.....	. 773	5, 908, 591
4	Fargo, N. Dak., hospital.....	1, 650, 000	First.....	. 745	1, 851, 889
	Addition of 262 general medical beds.....		Second.....	. 767	1, 917, 437
	Estimate prepared Dec. 4, 1943.....		Third.....	. 780	1, 941, 733
	9 bids received Apr. 25, 1945.....		Fourth.....	. 782	1, 949, 478
	Low bid 12.2 percent in excess of estimate.....		Fifth.....	. 782	1, 949, 801
	High bid 34 percent in excess of estimate.....		Ninth.....	. 890	2, 210, 000
5	American Lake, Wash., hospital.....	1, 567, 400	First.....	. 743	2, 132, 614
	Addition of 484 neuropsychiatric beds.....		Second.....	. 778	2, 219, 515
	Estimate prepared Dec. 4, 1943.....		Third.....	. 805	2, 307, 257
	5 bids received May 8, 1945.....		Fourth.....	. 818	2, 342, 049
	Low bid 36 percent in excess of estimate.....		Fifth.....	. 86	2, 461, 049
	High bid 57.5 percent in excess of estimate.....				
6	Sioux Falls, S. Dak., new hospital.....	1, 000, 000	First ¹	. 777	1, 379, 575
	150 general medical beds.....		Second ¹	. 808	1, 431, 045
	Estimate prepared July 15, 1942.....		Third ¹	. 813	1, 442, 625
	12 bids received May 22, 1945.....		Fourth ¹	. 830	1, 454, 946
	Low bid 37.9 percent in excess of estimate.....		Fifth ¹	. 832	1, 474, 646
	High bid 83.3 percent in excess of estimate.....		Twelfth ¹	1. 035	1, 832, 946
7	Reno, Nev., hospital.....	1, 617, 000	First.....	. 81	1, 459, 071
	Addition of 142 general medical beds.....		Second.....	. 85	1, 530, 815
	Estimate prepared July 15, 1945 (revised).....		Third.....	. 857	1, 541, 218
	11 bids received June 26, 1945.....		Fourth.....	. 865	1, 550, 515
	Low bid 9.8 percent below estimate.....		Fifth.....	. 877	1, 575, 883
	High bid 13.7 percent in excess of estimate.....		Eleventh.....	1. 025	1, 848, 883

¹ Bids rejected.

² Certain additions and alterations, estimated to cost \$600,000 are included in the figures but are not under contract.

TABLE A.—List of projects for which awards have been made and bids received and rejected during period February 1945 through March 1946—Continued

No.	Description	Veterans' Administration estimate	Bid	Bids received	
				Per cubic foot	Total
8	Rutland Heights, Mass., hospital.....	\$821, 000	First.....	\$0.725	\$615, 928
	Addition of 150 tuberculosis beds.....		Second.....	.733	622, 710
	Estimate prepared July 15, 1945 (revised).....		Third.....	.760	646, 007
	6 bids received July 7, 1945.....		Fourth.....	.783	664, 267
	Low bid 25 percent below estimate.....		Fifth.....	.792	671, 090
	High bid 14.6 percent below estimate.....		Sixth.....	.840	701, 267
9	Legion, Tex., hospital.....	² 2, 863, 521	First.....	.94	2, 589, 725
	Addition of 373 tuberculosis beds.....		Second.....	.96	2, 676, 300
	Estimate prepared Dec. 4, 1943.....		Third.....	.98	2, 706, 974
	9 bids received Sept. 11, 1945.....		Fourth.....	1.01	2, 808, 874
	Low bid 9.5 percent below estimate.....		Fifth.....	1.03	2, 856, 874
	High bid 15.8 percent in excess of estimate.....		Ninth.....	1.20	3, 314, 432
10	Peckskill, N. Y., new hospital.....	5, 790, 000	First.....	1.04	11, 483, 222
	1942 neuropsychiatric beds.....		Second.....	1.245	13, 763, 842
	Estimate prepared Dec. 4, 1943.....		(1).....		
	2 bids received Nov. 11, 1945.....		(1).....		
	Low bid 98 percent in excess of estimate.....				
	High bid 138 percent in excess of estimate.....				
11	Grand Junction, Colo., new hospital.....	1, 527, 073	First.....	1.278	2, 820, 610
	150 general medical beds.....		Second.....	1.30	2, 868, 542
	Estimate prepared July 15, 1945.....		Third.....	1.465	3, 237, 114
	3 bids received Feb. 26, 1946.....		(1).....		
	Low bid 85 percent in excess of estimate.....		(1).....		
	High bid 112 percent in excess of estimate.....		(1).....		
12	Providence, R. I., new hospital.....	3, 404, 222	First.....	1.14	4, 977, 597
	418 general medical beds.....		(1).....		
	Estimate prepared July 15, 1945.....		(1).....		
	1 bid received Mar. 19, 1946.....		(1).....		
	Low bid 46 percent in excess of estimate.....		(1).....		

	New York			St. Louis			Seattle		
	April 1945	July 1945	April 1946	April 1945	July 1945	April 1946	April 1945	July 1945	April 1946
Labor rates:									
Bricklayers.....	\$2.00	\$2.00	\$2.25	\$1.75	\$1.90	\$2.00	\$1.845	\$1.845	\$1.91
Carpenters.....	1.85	1.85	2.10	1.50	1.70	1.70	1.545	0.545	1.61
Lathers.....	1.85	1.85	2.10	1.75	1.75	1.90	1.745	1.745	1.81
Plumbers.....	2.00	2.00	2.25	1.75	1.75	1.875	1.745	1.745	1.81
Roofers, composition.....	1.70	1.70	1.85	1.575	1.575	1.625	1.545	1.545	1.61
Sheet metal workers.....	2.00	2.00	2.25	1.625	1.625	1.725	1.695	1.695	1.76
Laborers, unskilled.....	1.10	1.10	1.25	1.00	1.00	1.00	1.145	1.145	1.21
Building material prices, dealer to contractor, delivered to job site:									
Cement (per barrel).....	2.95	2.95	2.95	2.60	2.80	2.80	3.00	3.00	3.00
Douglas fir No. 1 (per thousand board feet).....	65.00	66.00	67.00	73.75	73.50	73.50	49.00	50.25	50.25
Southern pine No. 2 (per thousand board feet).....	65.00	66.00	67.00	71.25	75.50	76.75	53.25	53.25	53.25
Ponderosa pine No. 3 (per thousand board feet).....	76.00	76.00	76.00	69.50	69.50	70.75			
Northern pine No. 3 (per thousand board feet).....	72.75	72.75	85.00	68.25	68.25	72.75			
Brick, common (per thousand).....	19.75	19.75	21.75	20.50	21.50	23.50	21.50	21.50	21.50
Brick, face (per thousand).....	35.00	35.00	39.00	23.50	25.50	27.50	27.00	27.00	27.00

¹ Bids rejected.

Source of statistics: Department of Labor.

THURSDAY, MAY 23, 1946.

VETERANS' ADMINISTRATION

STATEMENT OF GENERAL OMAR BRADLEY, ADMINISTRATOR; MAJ. GEN. PAUL R. HAWLEY, CHIEF MEDICAL DIRECTOR; H. W. BREINING, ASSISTANT ADMINISTRATOR FOR INSURANCE; COL. R. P. BRONSON, ACTING ASSISTANT ADMINISTRATOR FOR CONTACT AND SERVICES; F. H. DRYDEN, ASSISTANT ADMINISTRATOR FOR CONSTRUCTION AND SUPPLIES; R. S. POOLE, DEPUTY ASSISTANT ADMINISTRATOR; J. J. ROCKEFELLER, DIRECTOR OF CONSTRUCTION; S. M. MOORE, JR., DIRECTOR OF BUDGET AND PLANNING; E. R. OVERTON, ASSISTANT DIRECTOR OF BUDGET AND PLANNING; JAMES B. CASH, CHIEF OF BUDGET DIVISION, VETERANS' ADMINISTRATION; AND BRIG. GEN. JOHN S. BRAGDON, DIRECTOR OF MILITARY CONSTRUCTION, OFFICE OF THE CHIEF OF ENGINEERS, UNITED STATES ARMY

ADMINISTRATION OF MEDICAL, HOSPITAL, AND DOMICILIARY SERVICES

Mr. CANNON. General Bradley, we have an estimate here contained in House Document 593 of \$35,000,000, Veterans' Administration—administration of medical, hospital, and domiciliary services, 1946. This would be in addition to your \$395,843,000 previously appropriated.

This additional amount is a net figure. The revised requirements indicate that lesser amounts will be needed for certain objects. The principal additional requirements are:

Salaries, \$32,831,109.

Transportation charges, \$1,843,848.

Processing loans, \$2,158,000.

Tuition, \$6,061,678.

A break-down of this begins on page 10.

I notice that your statement is a rather lengthy one and no doubt it should be explained to me as to the \$35,000,000, but I suggest that you just give us a résumé of it without reading the statement in full and we will insert the complete statement in the record at this point.

(The statement referred to is as follows:)

VETERANS' ADMINISTRATION "SALARIES AND EXPENSES"

Additional funds totaling \$35,000,000 are requested as a deficiency appropriation to cover expenses of the central office, the field offices, hospitals, homes, and supply depots; the cost of travel and examination of beneficiaries; payment of burial expenses and reimbursements for such expenses; repairs and alterations to hospitals, homes, and property in which Veterans' Administration facilities are housed and to the equipment utilized; payments to contract facilities wherein Veterans' Administration patients are hospitalized; reimbursements to States at the statutory rate for those veterans cared for in State soldiers' homes who are eligible for admission to Veterans' Administration hospitals or homes; the cost of administration in connection with vocational rehabilitation, education and training, readjustment allowance and loans; in general, all items of expense which are not direct monetary benefits to the veterans.

The accompanying table No. 1 shows by object classification the revised estimate of funds required, \$430,843,000, the total amount appropriated for "Salaries

and expenses," fiscal year 1946 to date, \$395,843,000, and an analysis of the \$35,000,000 for which appropriation is requested. In view of the size of this summary, it may or may not be inserted in the record, depending upon the desires of the committee.

In the subcommittee hearings of the House of Representatives on the second urgency deficiency appropriation bill for 1946, page 10, the following statement is recorded: "During the present fiscal year, the 2,100,000 veterans of World War II, June 30, 1946, will increase to between 12,500,000 and 13,000,000 by the end of June 1946, if present Army and Navy schedules are attained. These 10,500,000 separations from the armed forces during the present year, with about 5,000,000 occurring in the second quarter, results in many involved administrative and operating problems which are difficult to compute into costs. To meet the requirements of this great new group of veterans, a major reorganization of the Agency is being carried out concurrently with meeting day-to-day demands. Since the reorganization must proceed on a basis of full speed ahead, scheduling and measurement of expenditures becomes dependent on immediate availability of space, personnel, materials and effectiveness of procedures and methods; all such factors can be approximated only within reasonable limits when reviewed against the scale on which operations are based, against gradually easing of scarcities, and the short period under consideration. Also, the load patterns, when related to the World War II group, are largely conjectural, having very little experience as a foundation and subject to changing legislation, policy and economic conditions. For these reasons, the amount requested (\$114,000,000) may be too conservative and additional funds may be required to more quickly effectuate reorganization or to satisfy unanticipated load demands.

The several factors which could not be fully anticipated, for the reasons given above and for which I now am requesting additional funds, are: The extent of overtime salary payments and personnel recruitment necessary to reduce backlogs; readjustment benefit, medical, insurance, and pension programs demand increases which were not provided for in original estimates due to lack of experience with the World War II group of veterans; activation of Army surplus hospitals during the last 6 months of fiscal year 1946 and possibly nine additional regional offices in the final quarter of the same period; and the rapidity with which decentralization is progressing.

As to principal backlogs in the several programs, the following progress is being made concurrently with meeting the extraordinary current demands of the rapidly increasing millions of veterans through extensive use of overtime or recruitment of second and third shifts:

The backlog of new World War II disability cases pending adjudication was reduced 105,000 during March 1946. The 556,000 cases pending adjudication on March 31, 1946, equals only 1.2 times the 452,000 cases adjudicated during March. Similar ratios for prior months show a 2.4 months' work load pending on February 28, a 2.6 months' work load pending on January 31, a 2.9 months' work load pending on December 31, and a 2.5 months' work load pending on November 30, 1945.

Newly requested outpatient physical examinations for disability claims, hospital care, insurance, etc., of 61,162 were processed during March. Compared with February totals, the March figures reflected a 15-percent increase. Despite the increasing load, 14 percent more requests were cleared during March than in February (53,012 as compared with 46,549). For the first time, clearances by examination showed a striking increase in accomplishment, an increase of almost 54 percent, to reach a peak of 39,913 examinations. As a result, the total number of examinations pending held almost static, increasing only 1,903 during the month of March to reach the present total, 189,940.

Vocational training (Public Law 18) had 37,820 cases pending induction into training on March 31, or 14 percent more cases than the 33,333 at the end of February. Although this lower rate of increase is an improvement over the 23-percent increase reported for the month of February, the load of 37,820 veterans awaiting induction into training is nevertheless equivalent to about 3 months' work at the rate veterans were inducted into training during March.

Education and training (Public Law 346) applications were processed at an increased rate of 568,770 during March, an increase of 28 percent over the 445,121 applications processed during February. As a result of this increased rate at which applications were processed, the number pending determination of eligibility at the end of the month, 105,312, showed a decline of 23 percent over the number 137,241 at the end of February and 27 percent over the end of January.

Loans: Notwithstanding the increased volume of loan applications, VA action on the work load as a whole has been relatively prompt. Of the 140,775 applica-

tions received through March 27, a total of 127,705 had been acted upon as of that date, leaving 13,069 in process or awaiting final disposition. While this is a substantial number of pending applications, a considerably larger number in fact than previously reported pending, it represents a backlog of only 1.6 weeks' work at the average rate of disposition prevailing during the last March reporting period. However, the Public Law 268, Seventy-ninth Congress, amendments to the loan provision of the law is expected to result in loan guaranties of 150,000 during the final quarter of the present year.

Readjustment allowances: While this program affects "Salaries and expenses" cost mainly for payments to States for administrative services, the following trends in volume are included: Initial claims, January 26, 250,000; February 23, 207,000 April 6, 158,000, as compared with veterans paid, January 26, 841,000; February 23, 1,147,000; April 6, 1,705,000.

National service life insurance: Applications for national service life insurance increased from 74,878 in February to 102,143 in March. The number of applications dealt with also increased from 71,435 to 91,858, but not sufficiently to avoid an increase in the number of applications pending. Although the backlog has increased since January from 68,953 to its present level of 82,631, it is still no more than 1 month's work. Current applications rates may increase sharply depending on passage of the two bills, H. R. 4965 and S. 1677, together with intensive agency efforts to prevent policy lapses.

Hospitalization: The number of veterans awaiting hospitalization April 1 was 25,985, or the highest recorded to date. This total will not abate until new hospitals are available in sufficient numbers to provide facilities to care for these ailing veterans. Only 911 of those awaiting hospitalization are veterans requiring care for service-connected disabilities, as contrasted with 25,074 for non-service-connected disabilities. Fourteen surplus hospitals acquired from the Army may start operations during the last quarter of the current year furnishing approximately 12,000 additional beds and requiring nearly 10,000 employees.

A second factor, integrated with the reduction of the above backlogs, is the effect of certain load demands, estimated for fiscal year 1947, moving forward into the present year, resulting in increased costs in this appropriation. The sharp trends upward, resulting in the following revised estimates, chiefly occurred in the immediately prior months and/or resulted from new legislation and policy.

Program	Revised estimate, May 1945	Original estimate, October 1945
Vocational training (Public Law 16):		
Number in training—		
June 30, 1945.....	14,986	14,986
June 30, 1946.....	90,000	49,000
Average for fiscal year 1946.....	44,820	34,282
Education and training (Public Law 346):		
Number in training—		
June 30, 1945.....	22,335	22,335
June 30, 1946.....	644,786	304,229
Average for fiscal year 1946.....	209,000	142,219
Pensioners, World War II, with service-connected disabilities:		
Number of pensioners—		
June 30, 1945.....	536,541	536,541
June 30, 1946.....	1,000,000	1,246,567
Loans: Loans guaranteed, fiscal year 1946.....	260,000	125,000
Readjustment allowances: Average veterans paid allowances.....	1,200,000	480,639
Number of medical examinations, fiscal year 1946.....	2,773,638	2,251,000
Number of medical treatments, fiscal year 1946.....	1,505,265	633,000
Number of dental treatments, fiscal year 1946.....	242,040	

In addition to requirements for reduction of backlogs, together with unanticipated load demands which could not be fully anticipated, expansion and decentralization has moved more quickly than originally estimated. April 1 all branch offices became operative, a factor which will add several additional thousand personnel to the rolls, distributed in the third quarter of the current year and over into fiscal year 1947, depending on ability to recruit and gear these employees into the operations. Also, nine additional regional offices have been authorized, which may place a recruitment burden of approximately 8,000 more employees largely in the last quarter of the present year. These factors, together with

staffing in the third and fourth quarters of the current year of hospitals acquired or to be acquired from Army surplus, with personnel requirements of many thousand, result in a condition which is difficult to evaluate at this time with fine exactness as to programs or total recruitment.

As pointed out, the Veterans' Administration has been undergoing a major reorganization and expansion, most to be accomplished in the current fiscal year and the remainder, other than the hospital and domiciliary program, in fiscal year 1947. Scheduling of this expansion was not fixed firmly to specific dates, but to a policy of securing space, personnel, and materials as they become available, contributing to a situation where components of expansion with their attendant costs may fall in the last 2 months of fiscal year 1946 or early in fiscal year 1947.

Also, peak work loads in most programs, other than the medical program, are now being experienced or will be within the next few months. These conditions are being met with an organization staffed largely with new employees who will become more effective as they work into their responsibilities; by new procedures, to meet old and new operating problems, which will increase efficiency of operations after a short seasoning period; by a certain amount of personnel duplication as operations such as insurance and claims are moved to the field; and, with an organization in the process of assuming decentralized administration.

To get the job done, recruitment of personnel has exceeded original estimates for fiscal year 1946. However, accessions of employees for most programs, other than medical, should level off the early part of fiscal year 1947, and some decline in the number of employees for these programs should follow as the new organization becomes more coordinated.

I will now take up the revised requirements under the various objects of expenditure.

01 Personal services

It is estimated that an additional \$32,851,109, analyzed in the following tabulation, will be necessary for personal services for the balance of the current fiscal year, or the difference between the amount appropriated for this purpose, \$243,789,609, and a revised estimate of requirements for the current year, \$278,620,718.

Estimated man-year requirements and estimated obligations, fiscal year 1946

	Revised requirements		Appropriated		Additional requirements	
	Man-years	Estimated obligations	Man-years	Estimated obligations	Man-years	Estimated obligations
Total, full-time positions, departmental and field.....	105,677	\$239,375,691	94,399	\$220,965,334	11,278	\$18,410,357
Less q. s. l. allowances.....		—4,000,000		—4,000,000		
Net full-time positions:						
Departmental and field.....	105,677	235,375,691	94,399	216,965,334	11,278	18,410,357
Temporaries.....	682	789,000	682	789,000		
Part-time employees.....	150	426,796	150	426,796		
W. a. e. employees.....	5	9,662	8	9,662		
W. o. e. employees.....	185		185			
\$1 per year employees.....	1,000	1,000	1,000	1,000		
Overtime pay.....		47,000,000		33,149,248		13,850,752
Additional compensation for foreign service.....		100,000		30,000		70,000
Night-work differential.....		1,500,000		1,000,000		500,000
Total, departmental and field service.....	107,699	285,202,149	96,421	282,371,040	11,278	32,831,109
Deduct VA positions filled by military and naval personnel.....	—3,628	—8,581,431	—3,628	—8,581,431		
Total, net.....	104,071	276,620,718	92,793	243,789,609	11,278	32,831,109

The actual recruitment rate, indicated below, will increase the on-duty personnel of June 30, 1945, 61,894 filled full-time positions occupied by 59,340 regulars and 2,554 temporary employees, to 165,000 filled full-time positions by June 30, 1946.

*Actual and estimated net full-time positions, permanent and temporary personnel
net accessions, fiscal year 1946*

July, actual	2,946	January, actual	13,019
August, actual	3,042	February, actual	11,424
September, actual	2,976	March, actual	17,666
October, actual	5,272	April, estimated	17,256
November, actual	6,196	May, estimated	9,126
December, actual	6,052	June, estimated	8,129

The principal contributing factors to the increased demand for personnel which were not weighed fully in the original estimates are: Acquisition and activation of surplus Army hospitals in the latter half of the current year; speeding the separation of regional office activities from centers; activation of new regional offices; moving forward the dates of decentralization of activities to branch offices to April 1, 1946; a goal of eliminating all backlogs of beneficiary demands through accelerated recruitment and, where appropriate, overtime pay and second and third work shifts and unanticipated increases in work loads due to the quick demobilization of the armed forces. Of these reasons for additional recruitment, new regional offices recently authorized, and acquired surplus Army hospitals, account for about 20,000 to 25,000 of the net accessions.

Overtime pay and night-pay differential requirements are based on current obligation rates. Obligations for overtime pay to March 31, 1946, were \$28,403,677, while the last pay roll in that month approximated \$2,300,000. This amount projected, after adjustment for new recruitment, for the seven remaining pay periods of fiscal year 1946 will, it is estimated, bring the total overtime pay requirement to about \$47,000,000. Night-pay differential, also, when projected from obligations of \$770,904 for the 9-month period to March 31, 1946, will total approximately \$1,500,000.

03 Transportation of things

Based on the March 1946 obligation rate of approximately \$600,000, adjusted slightly upward and projected through June 30, 1946, requirements for transportation of things are increased \$1,834,848 over original estimates to provide largely for expenses necessary in connection with the accelerated decentralization and expansion of the Agency. These additional funds will be required to transport files, records, equipment, supplies, and transferred employees' household effects, for the surplus Army hospitals and regional offices placed in operation during the fourth quarter of the current year; to meet the new schedules for decentralization of insurance activities from the New York branch of central office, and to meet new operating schedules for branch offices.

04 Communications

The additional amount requested for communications service is \$950,000. Obligations for 9 months through March 31, 1946 totaled \$1,076,762, while March obligations were \$357,304, divided \$189,000 for payments to States for postage in connection with mailing readjustment allowance payments and \$170,000 for other communications services. It is estimated that \$300,000 additional will be required for postage on readjustment allowance payments, and \$650,000 additional for telephone, telegraph, etc., for the remainder of the year. Postage on readjustment-allowance payments will continue at about the same high rate of usage while unusual communication requirements necessary to securing of space, establishing organization, transferring operations, and stabilizing procedures will require approximately the amount indicated above for this purpose.

07 Contractual services

Prior appropriations for this object classification totaled \$23,600,334 and an additional \$2,856,140 is requested at this time, or a total revised requirement for fiscal year 1946 of \$26,456,474. The additional amount requested is distributed: Fee medical examinations, \$698,140; other contractual services, \$2,158,000 consisting of \$2,945,000, offset by reductions of \$49,500 and \$737,600 in requirements for visual education, and processing loans, respectively.

Revised requirements for cost of medical examinations by physicians employed on a fee basis, largely in connection with examinations for pension claims, are presented as \$1,760,844 as compared with the \$1,062,704 appropriated for this purpose, or an additional \$698,140. A total of 141,616 examinations for claims have been scheduled for the period April 1 to June 30, 1946, exclusive of the 189,940 requests for incompleated examinations in arrears March 31, 1946. Of this 141,616 examinations for claims, it is estimated that 50 percent, or 70,808 will be handled on a fee basis at an estimated cost of \$682,902.

The following table analyzes special and miscellaneous.

	Revised total re- quirements	Fiscal year 1946, amount appropriated	Additional require- ments
Alterations of office space moving, etc.....	\$4, 924, 000	\$3, 224, 000	\$1, 700, 000
Occupational survey.....	545, 000		545, 000
Prosthetic research.....	250, 000	250, 000	
Miscellaneous services.....	1, 241, 650	541, 650	700, 000
Total.....	6, 960, 650	4, 015, 650	2, 945, 000

Cost of alterations of office space and moving is a highly contingent item which cannot be accurately estimated and is dependent on the lay-out of buildings obtained. It is estimated that \$1,700,000, in addition to the \$3,224,000 appropriated, will provide for alteration and moving requirements through the remainder of the year. The occupational surveys carried out by the Departments of Commerce and Labor are for use in connection with increasing the effectiveness of our readjustment benefits programs as authorized in Public Law 268, section 1, Seventy-ninth Congress. The largest component contributing to the \$700,000 increase in miscellaneous services is duplicating services, which cost approximately \$408,000 through March 31, 1946. Present experience indicates that a minimum of \$338,593 will be obligated through April, May, and June.

Revised supplies, equipment, and tuition requirements for vocational rehabilitation trainees (Public, 16).—Vocational rehabilitation trainees (Public, 16), based on revised estimates, are expected to increase from 14,986 in training June 30, 1945, to 90,000 by June 30, 1946, averaging about 44,820 in training for the current year as compared with an average of approximately 34,282 originally estimated for fiscal year 1946. The number of trainees reported at the end of each month through the first three quarters of the present year when projected through April, May, and June of fiscal year 1946 and related to obligations through March 31, 1946, indicates that the following amounts will be required:

	Revised estimated requirements	Amounts appropriated	Additional required
08 Trainee supplies.....	\$959, 580	\$377, 000	\$582, 580
09 Trainee equipment.....	2, 939, 156	1, 131, 000	1, 808, 156
12 Trainee tuition.....	16, 746, 678	10, 285, 000	6, 461, 678

I consider it necessary to point out at this time that the amount requested herein will probably be insufficient for our essential requirements through the current fiscal year, and that a request for additional funds will have to be submitted in the very near future.

GENERAL STATEMENT

General BRADLEY. We have had to take on more personnel now than was anticipated when the original estimates were made.

You remember at the time that I appeared before the last deficiency hearing we told you at that time we were afraid that amount would not be enough; that we might have to come back for additional money.

We have taken on more surplus Army hospitals than we thought we might be able to at that time, and that requires additional personnel.

Our decentralization program has moved faster than we even hoped for originally. We have had to establish some new State regional offices in order to meet the veterans' demands in certain localities where distances are great, or numbers are great. The rapidity of demobilization made our need for personnel increase.

Mr. CANNON. I realize that your situation has been both tentative and contingent. It would be impossible for you to be very definite in these early days of your administration.

General BRADLEY. It was an emergency that we had to solve as fast as we could get space, and it was something that we did not have time to sit down on and spend 6 months figuring out an orderly way to do it. We could not have anyway, because we did not know how fast we could get space. The net result is that in order to carry on this business for the rest of the year we need these additional funds for personnel. The same thing applies to those other items on that list.

I would like also to introduce at this point the fact that the amount requested herein will probably not be sufficient for our total requirements through the fiscal year, and a request for additional funds may have to be submitted for this appropriation before the end of the fiscal year.

Mr. CANNON. Well, is the amount for personnel for employment yet to be made; people not now on the pay rolls?

General BRADLEY. Not in that amount.

LEVELING-OFF PERIOD

Mr. CANNON. When do you expect to level off?

Mr. BRADLEY. We think some time early in the fiscal year 1947 we should be able to level off except for employees at hospitals as we finish construction. Some of that will be taken up by the fact that many of these Army hospitals we are taking over we are taking over with the understanding that the personnel in those will be shifted to a permanent hospital when we get them constructed. But there would not be enough personnel in those surplus hospitals to staff all the new hospitals, so in some period, a year or two from now, there will be another demand for hospital personnel.

As far as administrative personnel are concerned, we anticipate some time by the middle of the fiscal year 1947 we should level off on our administrative personnel. There is some duplication right now and there is bound to be until we complete the decentralization.

For example, in insurance, we have to carry on our business while we are setting up the insurance in the branch offices out in the 13 other cities. So that during this period there will be some duplication of personnel which we will have to absorb, transfer to other departments, or let go.

INADEQUACY OF ESTIMATE FOR REMAINDER OF FISCAL YEAR

Mr. CANNON. Perhaps I misunderstood you. From what you said just now, do you mean to say that the amount you are asking for now, \$35,000,000, will not be sufficient to take care of all of your expenses for the remainder of the fiscal year?

General BRADLEY. We are afraid it will not be.

Mr. CANNON. That means, then, there is a possibility that you will be back here again before the end of the fiscal year for another appropriation to finish up your expenses by June 30, 1946?

General BRADLEY. Yes, probably \$24,000,000 more, is our estimate.

Mr. CANNON. There is a possibility that you will need \$24,000,000 in addition to the \$35,000,000?

General BRADLEY. Yes.

Mr. CANNON. There is a possibility that you can get through on the \$35,000,000?

General BRADLEY. I do not believe there is any chance.

Mr. CANNON. Well, why is it that you at this time make a request for \$35,000,000 instead of making a request for a sum that will carry you through? It is because the amount you will eventually need is still indefinite?

General BRADLEY. No, sir. We think it is a rather accurate estimate that we will need \$59,000,000 between now and June 30, and that was the request we submitted to the Bureau of the Budget.

Mr. CANNON. And the Bureau of the Budget transmitted a request here for \$35,000,000?

General BRADLEY. Yes.

Mr. CANNON. And every effort will be made to keep it within the amount?

General BRADLEY. Yes, but I am sure it will be impossible.

RATE OF EXPENDITURE

Mr. TABER. You had \$395,000,000 appropriated on this item. How much of that has been current expense—perhaps to the first of May?

General BRADLEY. Through March it was \$268,173,769. I have just got the figures for April, also. Through April it is \$325,486,041.

Mr. TABER. Now, the figures to the end of March indicate you are spending on a basis of about \$402,000,000. The expenditures for April seem to be at the rate of about \$57,000,000, which is away up into the \$672,000,000 rate. Is there such an abrupt jump as that would indicate in your expenditures?

INCREASE IN PERSONNEL

General BRADLEY. I can give you the original estimates on personnel, and the actual, if you would like that.

Mr. TABER. Yes.

General BRADLEY. Starting in January our estimate was 8,000. We actually took on 13,019. In February our estimate was 8,750; we took on 11,424.

Mr. TABER. That is increase in personnel, is it not?

General BRADLEY. That is increase in personnel; yes, sir. In March the estimated increase in personnel was 9,000; we actually took on 17,666.

These other figures are estimates. The original estimate for April was 9,000 and we took on 17,256.

Mr. CANNON. 17,256.

General BRADLEY. Yes; 17,256.

Mr. CANNON. That is the number you have here.

General BRADLEY. That is the figure that just came in.

Mr. CANNON. So it is very evident in this case, due to this extraordinary situation, that you cannot make any prediction as to the future based upon those statistics for the last several months.

General BRADLEY. We can come fairly close to it.

Mr. CANNON. But is changing so rapidly?

General BRADLEY. It is ehanging very rapidly; yes, sir. And wherever we find we can staff a new hospital, we take it over, and that immediately means an increase in personnel.

Mr. TABER. If you are spending in May and June at the rate you spent in April, you will be \$9,000,000 short; is that about right?

General BRADLEY. We estimate for May about the same as April and June about \$74,000,000, because there are three pay periods in June.

Mr. TABER. There are three pay periods in June?

General BRADLEY. Yes, sir.

Mr. TABER. That means \$17,000,000 more than that; that means \$26,000,000?

Mr. MOORE. We estimate it at \$24,000,000, sir.

Mr. TABER. Did the Bureau of the Budget have anything to say about this subject?

General BRADLEY. Yes, sir. I have their letter here, if you would like me to read it.

Mr. TABER. That is nothing but the Budget letter that came over to the President?

General BRADLEY. That is the letter that came over to the President; yes, sir.

Mr. TABER. We do not care anything about that; we have that.

Mr. MOORE. That is the only one we have, sir.

PRINTING AND BINDING

Mr. CANNON. Now, taking up the item for printing and binding, 1946, I see you have a deficit there of \$740,000 which, added to your \$2,140,000 previously given you, would make a total of \$2,880,000 for the year.

The reason you give us in the justifications is that it is needed to meet demands fo discharged veterans. What is the character of this demand that requires this extra three-quarters of a million dollars, practically?

General BRADLEY. One is the necessity to inform veterans of their rights on insurance, and that is more or less of a continuing thing. Right now, about 80 percent of them are dropping out and we think it is our duty again to call their attention to the asset that Government insurance is to them, and their families and dependents.

Mr. CANNON. Certainly every effort should be made to apprise the veterans of the advantages of maintaining their insurance.

General BRADLEY. One other thing I might say that adds to this is that we have had to change some forms. We have simplified the forms and one notable one, for example, is the one on loans, which had to be gotten out as a result of the legislation which modified the guaranteeing of loans. That required an entirely new set of forms.

Mr. CANNON. This literature or method of informing veterans of their rights and privileges and the routine to be followed in making application, I suppose, is in the form of printed circulars which are distributed or mailed to the veterans?

General BRADLEY. Yes, sir; pointing out the advantages of keeping it.

Mr. CANNON. That is distributed through your regional offices, is it?

Colonel BRONSON. It is distributed through our central office, since all of our activities heretofore have been centralized in New York. However, it will be distributed from the branch offices when we are completely decentralized. We have only decentralized two offices so far—Washington and St. Louis.

Mr. CANNON. It is a matter of supply and distribution. Are you certain this material does not pile up at one time and then——

General BRADLEY. No, sir, it does not; because, as Colonel Bronson brings out, at the present time it is mailed out of New York, except for one area, Boston, which has already been decentralized. So there are only two offices from which that is mailed now.

(After discussion off the record:)

FUTURE INCREASES IN ADMINISTRATIVE EXPENSES

Mr. CANNON. Your problem of administration, I suppose, has never before been equaled in that line, and the prospect is it will continue to grow for many years to come?

General BRADLEY. I do not think the personnel required to handle the administrative load will increase, because our efficiency will increase; a lot of inexperienced personnel were taken on within the last 9 months, their efficiency will increase, so I do not think the personnel itself will increase; but certainly the administrative load will increase for several years and then will begin to taper off.

For example, education we anticipate will begin to taper off after 4 or 5 years because the most of those people will have finished their 4 years of college and that part will taper off. Claims will taper off some; the original claims are beginning to taper off now, but now we are going to get a lot of appeals and we can turn out probably a better adjudication as our personnel becomes better trained. So it is a tremendous administrative thing and is not going to decrease materially for several years.

Mr. DIRKSEN. I notice, General Bradley, you show a peak of 165,000 as of June 30, 1946.

General BRADLEY. That is if we have to stay within this \$35,000,000. We think it is going to be very difficult to stay within that 165,000 and to carry out our administrative work.

Mr. DIRKSEN. As a good outside estimate, how much would you add to that 165,000?

General BRADLEY. We think it will take about 183,423; that is our estimate. That is based on estimates more or less detailed from the field.

HOSPITALIZATION LOAD

Mr. DIRKSEN. What is the hospitalization load right now? I notice you have some twenty thousand-odd for whom facilities have not been available as yet. Are you catching up on that now?

General BRADLEY. That showed a slight decrease at the end of April. The number awaiting hospitalization at the end of March was 27,258 and, at the end of April, it was 25,471.

Mr. DIRKSEN. So you gained a little?

General BRADLEY. We gained almost 2,000.

Mr. DIRKSEN. Are any of those particularly aggravated cases?

General BRADLEY. The most of those are elective operations. So that I believe we have been able to furnish reasonably quick hospitalization for all service-connected cases, and for all emergency cases of a non-service-connected type.

PAY TO VETERANS IN VOCATIONAL TRAINING

Mr. DIRKSEN. What about the difficulty of getting pay to those who are entered in vocational training? We have had a little complaint about that. I had a few more complaints in the mail this morning.

General BRADLEY. You refer to training in the schools, or on-the-job training?

Mr. DIRKSEN. On-the-job training, mainly.

General BRADLEY. There are many things that enter into that. Of course, there are so many of these firms that it is difficult to get all of them on our list and get training officers there to inspect them. We are increasing our training officers as fast as we can get qualified personnel for it, but we find many of those complaints are really unjustified.

For example, a firm may make application to be put on the approved list by a State and immediately the veterans think they will start drawing compensation, or drawing subsistence from that date. Actually, they do not start drawing subsistence until they are actually approved by the State. We had one the other day that we investigated. The veterans thought they were entitled to subsistence pay from last fall, but it was not actually approved by the State until February. So we got the blame for not paying them all during that time, but they were not entitled to it.

We realize there are many cases we just cannot catch up with, in spite of all of the things we have done. We send a man to the schools at the beginning of every month and advise them ahead of time, so any student who has not been paid and who has been there for 30 days can see our man while he is there. He checks back and looks it up to find out why, and sometimes he finds the man has the form in his pocket and has not turned it in. But, in spite of all that, we still have students who are not being paid. Some of them do not take the trouble to see our man, or we may occasionally lose the paper in transit. We are doing our best in every one of those so-called sleeping cases.

Mr. DIRKSEN. In this figure of 165,000 are included your professional talent, doctors, dentists, and so forth?

General BRADLEY. That includes everything, Mr. Dirksen—doctors, nurses—every person employed by the Veterans' Administration.

NUMBER OF PHYSICIANS IN VETERANS' ADMINISTRATION

Mr. DIRKSEN. What is the situation now so far as physicians are concerned?

General HAWLEY. We have 3,277, roughly 3,300, full-time physicians. In addition to those, we have between 350 and 400 consultants of high quality. We have about an equal number of half-time men who spend half of each day in the hospital, operating this service, and we have between 425 and 450 resident physicians and surgeons in

training. That, however, is not well distributed for the reason that in many of our isolated hospitals it is impossible to get doctors and nurses to go. They simply will not go. The general housing situation, also, greatly affects their distribution. We can order people to report to our hospitals and they will report and stay 48 hours or a week. They cannot find any place for their families to live and they resign.

QUALIFICATIONS OF PERSONNEL

Mr. DIRKSEN. General Bradley, aside from the fact that newcomers to the VA do not have experience, have you managed to find enough people who have intrinsic talent and skill for your personnel?

General BRADLEY. Oh, yes, sir. We are getting good personnel now and I think the most of it have qualifications. Of course, we still need more doctors, as General Hawley just stated. Most of the types of personnel are now on the market and you can get adequate and well qualified personnel much better than you could several months ago.

Mr. DIRKSEN. With respect to dentists, as I remember the last memorandum, your personnel was pretty well complete?

General HAWLEY. Almost complete. We still have plenty of vacancies for doctors. The quality of doctors has gone up amazingly. You see, on the 1st day of January, out of 2,400 doctors we had, 1,700 were in uniform, and we have lost many of those by separation from the service. Now, out of the 3,300 we have, only 800 are in uniform, so that we have more out of uniform today. We are over the peak of losing men separated from the service.

We have made a net gain of 800 since the 1st of January. Of that 800, 126 now on duty are registered specialists, thoroughly qualified, and 175, approximately, other specialists have accepted appointments and are winding up their affairs at home and will be on duty in the next 30 or 60 days.

The quality of physicians has never been as high on the average as it is now; the quantity is low and the distribution is bad.

DISCUSSION OF PROGRESS OF VETERAN LOANS FOR HOUSING

Mr. DIRKSEN. General, I noticed the other day there was a statement made 2 or 3 weeks ago that there was some slow-down in the loan program because of the failure of the Federal Housing Administration to properly process. Has that been finally ironed out? There was a considerable statement in the press; I do not know that I examined it too closely.

General BRADLEY. That was a statement by a man in a subordinate position in my office, based on one particular situation. It is a general situation which the Administration must solve. I have had a great many conferences with Mr. Wyatt and Mr. Foley on the matter, and the thing is now under study.

In other words, this is the basis of it. If the Government is going to place a ceiling price on construction, we feel it should be a reasonable price on which either the Veterans' Administration or the Federal Housing Association can make loans, because if it is not, you have the administration, in one way, putting a ceiling price on houses which is not considered reasonable by the other agencies of the Federal Government. And that is what that article was about.

We are trying to straighten that out now. But if it is not straightened out, the ceiling price might not be within what the appraisers considered a reasonable price as you provided by law and therefore we could not guarantee a loan on it.

STATUS OF DISABILITY CLAIMS

Mr. DIRKSEN. How long do you believe it will be before you become current with your disability cases? I see there has been some progress in that field.

General BRADLEY. As a matter of fact, you might say now that we are on a current basis; that is, in most offices, if a man comes in with a disability claim, they start working on it at once. On the 30th of April there were 426,000 cases pending. During March, the month before, when we were getting some records, we adjudicated 451,000. In other words, that was less than a month's supply. And those, I would say, could be broken down into the fact that 70 percent at least were awaiting medical records which are now becoming available in great quantity. There is always a 2 weeks' supply flowing through your offices, so you are always going to have a backlog of a couple of hundred thousand actually in process from the time they come in until they go out. So that I would say we are almost current on claims.

PENALTY MAIL

Mr. CANNON. General Bradley, we have rather a formidable estimate here for penalty mail, \$916,000, which is nearly 50 percent more than your previous estimate of \$614,250. Coming this late in the fiscal year, what has occasioned this extraordinary increase?

General BRADLEY. I have a brief statement on that which I would like to read, if I may.

Mr. CANNON. You may read it.

General BRADLEY. A supplemental estimate is submitted for the purpose of securing additional funds for the fiscal year 1946 in the amount of \$916,000 under the appropriation "Penalty mail". This appropriation is used to cover the cost of penalty mail of the Veterans' Administration in accordance with the act of June 28, 1944, Public Law 364. The amount approved for this appropriation for the current fiscal year was \$614,250 based upon an anticipated increase of approximately 30 percent in the volume of postal matter bearing the penalty indicia over the fiscal year 1945. In terms of usage, this represented an estimated use of 45,500,000 units during the fiscal year 1946 as compared with approximately 35,000,000 pieces during the fiscal year 1945.

The sudden termination of hostilities along with the accelerated demobilization of the armed forces has resulted in an unprecedented increase in the volume of penalty mail used in the current year. To illustrate the increasing usage and rate of expenditure, the following data are submitted. As of June 30, 1945, there were on hand 38,928,614 units bearing the penalty indicia. During the current year, purchase orders actually placed and to be placed will total approximately 175,000,000 units which will make a total of 214,000,000 units available or on order. Of this number, a total of 52,037,039 pieces distributed: First quarter 10,572,244; second quarter 14,680,000;

third quarter 26,784,795, have actually been used during the first three quarters of the current year and it is estimated that an additional 50,000,000 units will be used during the last quarter. On this basis, a total consumption for the fiscal year is now estimated at about 102,037,039 pieces of penalty mail which will leave on hand at June 30, 1946, an inventory of approximately 112,000,000 units on hand or on order. As to costs, a summary of the above shows that, based on a unit cost of \$15 per 1,000 of penalty mail used, actual expenditures for the first three quarters were \$780,556 and estimated expenditures for the last quarter will total \$750,000, or a grand total of approximately \$1,530,556 for the entire fiscal year, resulting in the present request of \$916,000.

A factor contributing to the need for additional funds is the serious problem encountered in the lapse of national service life-insurance policies. A recent survey completed indicated that if the present trend continues, approximately 80 percent of all policies issued to veterans of World War II will be permitted to lapse. In view of the interest which the Government has in the retention of insurance by our veterans, plans are ready to communicate with each veteran in an effort to persuade him to keep his insurance alive or to effect the renewal of those policies which have lapsed. This, together with the large correspondence volume necessary in immediate insurance operations covering several million policyholders, in adjudicating disability or compensation case loads, processing applications for greatly increased demands for vocational rehabilitation, education, loans and other readjustment benefit items, contributes to a condition where the amount requested appears conservative.

It will be noted that it enables us to carry over an inventory, but you must have those on hand because the minute you run out of envelopes, then you are stopped on your administration.

Mr. CANNON. There is no likelihood that you will require less than the amount estimated here?

General BRADLEY. I do not believe so.

NATIONAL SERVICE LIFE INSURANCE

Mr. CANNON. We have an estimate here for national service life insurance. It seems to relate to 1947 exclusively and, in view of the fact that we are taking up here only items that come within the fiscal year 1946, we shall not take that up at this time.

Mr. BREINING. We need a great deal of that money now.

Mr. CANNON. You mean for national service life insurance?

Mr. BREINING. Yes, sir. Of the \$169,535,000 contained in the 1947 independent offices appropriation act passed March 28 we have only \$23,000,000 left. We have used up over \$146,000,000 in less than 2 months and unless this deficiency is put through with this bill we will be out of money by the first part of June.

Mr. CANNON. According to your justification, it seems to relate entirely to the fiscal year 1947.

Let us have the justification for the item and we will consider it.

General BRADLEY. This supplemental estimate of \$356,000,000 is requested for the purpose of securing additional funds for the appropriation "National service life insurance" to meet estimated requirements to June 30, 1947, under sections 602 (d) (2), 607 (b) and 607 (c)

of the National Service Life Insurance Act of 1940, as amended. The appropriation covers payments to the national service life insurance trust fund to meet obligations sustained by that fund incident to excess mortality cost and the cost of waiver of premiums on account of total disability traceable to the extra hazards of military or naval service as such hazard may be determined by the Administrator, and the cost of waiver of recovery of payments under the provisions of section 609 (a), on national service life insurance policies in accordance with the provisions of part I, title VI, Public No. 801, Seventy-sixth Congress.

Appropriations for the years 1942 through 1945 totaled \$650,199,163. An appropriation of \$900,000,000 was approved for the fiscal year 1946 to which there was added a deficiency appropriation of \$928,000,000 to make a total amount appropriated of \$1,828,000,000 for the current year. The 1947 appropriation in the amount of \$169,535,000 was approved on March 28, 1946, and became immediately available, thereby making the total amount of appropriations available for the fiscal years 1942 through 1947 \$2,647,734,163.

As of April 18, 1946, the total amount of death claims awarded was \$3,207,734,793 which represented settlements made in approximately 342,600 cases based upon an average of \$9,363 insurance coverage per man. Of this total, 89 percent of the claims paid were due to extra hazard of service, thereby involving actual transfers from this appropriation to the national service life insurance trust fund of \$2,854,883,983. In addition there was transferred a total of \$21,745,503 to cover the amount of gratuitous death claims awarded during the same period under authority of sec. 602 (d) (2) of the National Service Life Insurance Act of 1940 as amended by the act of December 20, 1941. Therefore, transfers from this appropriation as of April 18, 1946, equal \$2,876,629,466 and in view of the fact that the total amount of appropriations available was only \$2,647,734,163 there is a current deficit of \$228,895,303 to which must be added a total of \$68,050,284 to be transferred for death claims found due to extra hazard of service and pending final disposition as of April 18, 1946, plus \$1,107,594 to cover proposed transfers to the fund for gratuitous death claims pending final disposition as of that date. This makes a total current deficiency, as of April 18, 1946, of \$298,053,181.

For the period April 1946 through June 1947, the gross mean amount of insurance estimated to remain in force will total \$35,375,000,000. This amount consists of insurance coverage for approximately 20 percent of World War II veterans out of service, or 2,750,000 which at an average amount of \$5,500 per man will equal \$15,125,000,000. It will be noted that this estimate is based upon an anticipated lapse of 80 percent of the policies originally issued to World War II veterans. In addition, it is estimated that approximately 90 percent of the men serving in the armed forces during that period will maintain insurance policies with a total value of \$20,250,000,000 (based on an average of \$9,000 per man for 2,250,000 men).

Of this total mean amount of insurance in force during the period April 1946 through June 1947, the estimated amount of death claims based on 50 percent American experience table of mortality, will be \$142,649,688. It is further estimated that of this total, approximately 33½ percent, or \$47,549,896, will be represented by death claims due to

extra hazard of service. It will be noted that in this estimate, that 33½ percent of the total claims will be attributable to extra hazard of service, and is far below the actual percentage of total experienced to date (i. e., 89 percent). This decrease, of course is due to the cessation of hostilities and the resulting decrease in deaths due to service hazards in times of peace. To the above requirements there must also be added a sum of \$10,500,000 to cover the transfer to the fund of the cost of premiums waived for disability due to extra hazard of service. This amount is based on a total estimate of 50,000 new disability claims for the period, of which approximately 20,000 at a cost of \$700,000 will be due to extra hazard of service. Added to this \$700,000, will be the sum of \$9,800,000 to cover the continuing cost of those premiums previously waived for disability due to extra hazard of service.

From the foregoing, it will be seen that a total of \$356,000,000 supplemental appropriation is necessary to cover the actual and estimated amount of transfers to the national service life insurance trust fund up to June 30, 1947, in excess of available appropriations. A recapitulation of this amount shows a current deficiency of \$298,053,181, due to accomplished transfers to the fund, plus an estimated amount of \$47,549,896 to be transferred thereto for death claims due to extra hazard of service and an estimated amount of \$10,500,000 for premiums waived due to extra hazard of service disability, or a grand total of \$356,103,077.

The amount requested must be made available if the Veterans' Administration and the United States Government expect to meet the legal obligation owing to its veterans of World War II by virtue of the national life-insurance policies issued and in force.

HOSPITAL CONSTRUCTION

Referring to the item of hospital construction, I understand that you are down here again to discuss with us the problems of the cost of constructing hospital and domiciliary facilities, and to make some definite recommendations thereon.

I wrote you a letter on April 1, 1946, and sent you the transcript of the hearings had before the committee. I will ask the clerk to read that letter and then read your reply of April 30, so as to get the matter before us.

(The clerk read the letters referred to as follows:)

APRIL 1, 1946.

General OMAR N. BRADLEY,
United States Army, Administrator of Veterans' Affairs,
Washington, D. C.

DEAR GENERAL: I am forwarding herewith for such revision as you may wish to make the manuscript of your testimony on March 29 regarding hospital construction costs.

The committee wishes to help you and to get your essential construction going with the least possible delay. Our situation, however, is this: The Senate and House have voted so much money for hospital construction and the amount was based upon cost estimates of projects, which, though not written into the appropriations, were the foundation of congressional action. This committee, in such circumstances, would be open to grave and deserved censure if it signified to you its approval of spending twice as much or any considerable percentage more for units of the program than the appropriated funds were intended to provide.

It may be that in the end the Congress will have to authorize such a course, but before it is asked to, it would seem that you should have your people exert every

effort to get more bids and better bids. I am sure you do not look with favor upon going ahead on the bids you have for the Grand Junction, Colo., and Providence projects.

The view of the committee, as the testimony discloses, is that those two projects and such others as may be ready for advertising or readvertising, should be reopened or opened to bidding, the proposals to contain escalator provisions, such as suggested by Mr. Dryden, or solicited on a cost-plus-a-fixed-fee basis, if authority exists for entering into that form of contract and a further study would suggest more favorable bids and ultimate costs under such form of contract. Readvertising would occasion no more delay than would be experienced if I am correct in assuming that you would not approve the bids you now have.

The recent order of the Civilian Production Administration should assure a better flow of materials to contractors, and that should be reflected in lower bids. Unquestionably the bids you have received include a very generous margin for contingencies.

I have much confidence in the ability and capacity of Mr. Dryden. It might be well for him to advise and counsel with Vice Adm. Ben Moreell, of the Navy, and Hon. W. E. Reynolds, of the Public Buildings Administration. Both of these men are authorities and have the confidence of the committee.

If you will get in touch with the committee as soon as you are advised of the results of the renewed effort to get better bids, you may be sure that the committee will proceed promptly with such measures as the new information may warrant.

Sincerely yours,

_____, *Chairman.*

APRIL 30, 1946.

HON. CLARENCE CANNON,
House of Representatives, Washington, D. C.

MY DEAR MR. CANNON: Thank you very much for your letter dated April 1, 1946, which transmitted a copy of the transcript of the hearing accorded to me on March 29, 1946, by the Committee on Appropriations regarding hospital construction costs. The transcript, with suggested revisions, has been returned to the committee.

Your constructive comments and suggestions, and those of other members of the committee, are deeply appreciated. We are conducting a careful study along the lines indicated in your letter and at the hearing.

Further investigation of the estimated costs submitted originally to the committee indicates that these estimates were generally consistent with Veterans' Administration standards at the time of their preparation. However, a rapid rise in actual costs of construction had already overrun these estimates at the time the current appropriations were passed and such costs have continued on an upward trend. In addition, it has become necessary to revise our hospital standards in order to provide the most modern medical and welfare services for veterans. These facts would have made it necessary, in any event, for us to request substantial additional funds to complete the entire program.

We are hopeful that, as you have stated, the recent priority policy published by the Civilian Production Administration will assure flow of materials to our prospective contractors and so encourage more and better bids. However, directives issued to date by that agency do not provide such guarantee. Aggressive attempts are being made to clarify this matter.

In accordance with your suggestion, the entire subject of construction costs has been discussed with Vice Adm. Ben Moreell of the Navy and the Honorable W. E. Reynolds of the Public Buildings Administration. Both stated that their agencies are experiencing a rapid rise in construction costs and that no early downward trend is foreseen. In addition, they believe that most established contractors will be very reluctant to bid at this time on a fixed-price contract, but would be willing to undertake work on the basis of cost-plus-a-fixed-fee. Both Admiral Moreell and Mr. Reynolds felt that inclusion of an escalator clause for labor in our contracts would provide little realistic incentive for contractors to bid.

You will be interested to know that the bids for the Grand Junction (Colo.) and the Providence (R. I.) hospitals were rejected on April 12, 1946, because these bids exceeded the original estimates. Including these two, bids for a total of four projects have been rejected in the last 7 months for the same reason, with resulting delay in construction amounting to 2,187 beds.

Certain information specifically requested by members of the committee is transmitted herewith. I am having assembled the results of our comprehensive

study concerning all cost phases of the approved hospital construction program, in form for presentation to the committee, and I propose to submit request at an early date for the privilege of appearing before you for that purpose. Included in the study will be our best thought as to the form of contract and procedure most advantageous to the Government, upon which I am desirous of obtaining your advice and approval. In view of the urgency of the program, I suggest this preliminary step as desirable and mutually helpful.

Very truly yours,

OMAR N. BRADLEY,
General, United States Army, Administrator.

Mr. CANNON. Everyone here has before him proofs of the former hearings in which are included this data transmitted by General Bradley in his letter of April 30, to be found on pages 15, 16, and 17.

(EDITOR'S NOTE.—The pages referred to are pp. 83 et seq of this hearing.)

We would be glad, General, to hear now the results of your further study and the recommendations that you are prepared to make to the committee at this time.

General BRADLEY. The results of a study of all cost phases of this hospital-construction program, suggested in a letter to me from your chairman under date of April 1, 1946, have been compiled. I cannot say that I have brought you all the answers. Some are not available at this time, except by conjecture. The study, however, has further defined our conclusions.

The Veterans' Administration hospital bed producing construction program, which has been authorized by previous appropriation acts, but for which contracts have not been awarded, consists of 76 new hospitals (those physically separated from existing hospitals), with a total bed capacity of 39,470, and 21 additions to existing hospitals, with a total bed capacity of 4,816.

There has been no major change in the scope, as defined in number of beds for 74 of the 76 new hospitals. Four of these 76 new hospitals, however, will replace projects which were previously listed in programs as additions to existing hospitals and will have a total bed capacity of 2,600 instead of 1,839. Two of these four new hospitals, those previously listed in programs as additions to existing hospitals, account for the change in number of beds: Indianapolis was changed from 291 to 500 and West Roxbury from 437 to 1,000.

The individual sites for 29 of the 76 new hospitals, including one of the four which were originally authorized as additions to existing hospitals, have been approved by the President and are either acquired or in process of acquisition.

Investigation of the estimated costs, submitted originally to the committee, indicate that these estimates were generally consistent with Veterans' Administration standards at the time of their preparation. However, a rapid rise in actual cost of construction had already overrun those estimates at the time the current appropriations were passed and such costs have continued on an upward trend. In addition, it has become necessary to revise our hospital standards in order to provide the most modern medical and welfare services for veterans. These facts would have made it necessary, in any event, for me to request substantial additional funds to complete the entire program.

I will attempt to develop these facts in such a manner as will indicate to you what is required to complete the program you have already approved.

PATIENT LOAD COMPARED WITH BED CAPACITY

At the end of March 1946 there were 26,000 veterans awaiting admission to our hospitals; there are comparatively few communities in our country with an equivalent population. By June 1947 we anticipate a patient load of 117,000 veterans for our hospitals and homes, and a total bed capacity approximately equal to requirements. The load, however, is expected to increase to more than 136,000 in the following year, and by June 30, 1949, to total more than 151,000. There will be an estimated total permanent bed capacity at that time of only approximately 144,000 beds, including those made available by construction of 76 new hospitals, 21 additions to existing Veterans' Administration hospitals, and utilization of 5 hospitals acquired by transfer from the War Department.

In short, if we proceed with all determination and dispatch to launch this construction program and push it to completion in the next 2½ years, we shall still have to depend upon successful staffing of temporary surplus hospitals acquired by transfer with estimated total bed capacity of 15,750 to meet anticipated demands in the fiscal year 1949. The margin, at best, will be slender.

As indicated, most hospitals now being acquired from the armed forces are suitable for temporary use only. The original requirements of location, lay-out, and construction are not the same as those faced by the Veterans' Administration today. The populations they served and the staffs that operated them have been dispersed to their normal civilian communities. Patients and their families do not want to go back to isolated stations. Doctors, nurses, and attendants generally will not go back. We must go where they are.

Other safety factors available to us are small indeed. The very limited excess capacity in civilian hospitals at this time is common knowledge. For tuberculosis and mental cases there is virtually none. In any event, the use of contract beds is limited by law to service-connected cases. On the present waiting list less than 4 percent are cases for which service origin is definitely established. Beds in other Federal hospitals are subject to postwar construction and personnel limitations similar to those confronted by the Veterans' Administration. The crowding of additional beds into our own hospitals, in excess of standard capacities, can be justified only as an expedient for short-term immediate emergencies. An overcrowded hospital cannot provide adequate care.

I anticipate that total needs for veterans' hospitalization will continue to increase for the next 20 years, even assuming that God gives us the wisdom and courage to prevent another war. I sincerely hope, however, that problems of future years will be more clear-cut and their costs more accurately measurable.

BED PRODUCING AND NON-BED-PRODUCING CONSTRUCTION AT EXISTING HOSPITALS

No additional funds which it is anticipated will be required for authorized additions to existing hospitals and for non-bed-producing aspects of our program, are being requested at this time. I am concerned today only about the additional funds and authority which we must have immediately in order to initiate new hospital construction and meet our obligation to the veterans and our commitment to the people of America.

RISE IN COST OF BUILDING CONSTRUCTION

Let us now consider a few pertinent facts concerning the recent rapid rise in cost of building construction. A recognized index of cost for building materials and labor is that published by Engineering News-Record. This record indicates a rise since 1939 of over 30 percent. Even since 1944, the latest year available when our original estimates were being formulated, there has been an increase of 10 percent.

These figures, however, only partially reflect the factors which a contractor must consider in venturing a bid under present conditions. One other factor is the increased cost of performing a unit of work, which may be summed up in the statement that, in labor as in materials, the demand exceeds the supply. According to a recent Engineering News Record Survey, based upon experience of 54 building contractors in 18 metropolitan areas, a unit of skilled work which cost \$1 in 1939 may today cost \$1.54. A minor part of that difference is attributed to increased wage scales. The balance represents the longer time, hence the greater cost, of getting a given unit of work done. The report shows that the efficiency rate of skilled labor, compared with 1939, is 65 percent; for unskilled labor, 68 percent. Adjusted to reflect this factor, the increase in building construction cost since 1939 is estimated at 55 percent and not 30 percent.

The contractor must allow a liberal margin, also, to cover uncertainty of conditions during the period of the contract. Further increases in labor costs are probable and are, in fact, projected by many recognized authorities and Government agencies. For example, the Wage Adjustment Board, in an action dated January 30, 1946, approved an increase in wages for bricklayers at Seattle, effective July 1, 1946, from the "present" \$1.845 to \$1.975. A corresponding increase is approved for all classifications of labor. In contracts today, the "prevailing" wage rate may be subject to wide fluctuations. The manager of our hospital at Castle Point, N. Y., attempted without success to employ laborers to erect quonset huts at the established rate of 75 cents an hour. Last month he got some men to do the job only after the prevailing wage was established at \$1.20 an hour.

Material shortages involve uncertainties not only as to price ceilings but as to the actual cost of getting materials on the job at scheduled times. Venders are subject to pressure from competing buyers. Shipments are mysteriously diverted en route. Perhaps the least expensive expedient which the contractor may employ in combating shortages is to transport labor and materials to the project site from distant sources.

Delays means mounting overhead charges and an increased proportion of work at the costly overtime rates. All these uncertainties affect the subcontractors as well as the prime contractor, and the sum of the contingencies appears in current bids at a percentage estimated by Commissioner Reynolds, of the Public Buildings Administration, to be from 15 to 25 percent. Our own analysis of recent bids confirms this estimate. The necessity for such a contingency factor has, of course, resulted in refusal by many contractors to bid at all.

REVISION OF VETERANS' ADMINISTRATION HOSPITAL CONSTRUCTION STANDARDS

Next let us consider a few pertinent facts concerning revisions in our hospital standards. Upon the occasion of my previous appearance here on this subject, you asked if there had been any change in our program which would account for the higher costs. There has been no substantial change in the basic program—the number and location of beds. However, my reply was inadvertently misleading, and so that you may know all the facts at this time, I want to clarify that statement.

During the war years the science of medical care greatly advanced; that is a general statement familiar to all of us. However, the extent of that advance, crystallized in terms of hospital design, is only now made apparent. It is a surprise to me, as I think it may be to you. These changes in hospital standards are being incorporated into the individual projects of our construction program in order to assure our veterans of the most modern treatment in present-day medicine. In addition, the facilities in our hospitals, originally planned for one basic type of patient, have been expanded to provide adequate care for all types of veteran patients, including women. Again in consequence of lessons learned during the war years, facilities for occupational therapy, recreation, chaplaincy service, and libraries have been augmented.

These advances involved more space and improved installed equipment. The increases in space vary with the types of services and with the size of the hospital. The total increase involved over previous standards amount to approximately 50 percent in terms of square feet, with a roughly corresponding increase in construction costs. One of the principal reasons for such increase in space is that it has become necessary, for example, to include a general medical clinic—in-patient and out-patient service—in NP and TB hospitals and to include NP beds in general medical hospitals. Changes in installed equipment consist of improved doctors' call systems, pneumatic-tube systems, elevator service, and so forth.

We have included in our hospital planning only what we consider essential to modern hospital operation and efficiency.

It is believed that our new criteria will become general standards of modern hospital design as they become disseminated. I am informed that the criteria being formulated by the Surgeon General of the Army will reflect a similar advance. The Veterans' Administration is fortunate in that its Chief Medical Director and his associates, so closely in touch with the lessons of the war, have been able to incorporate that experience in planning for the best hospital care for our veterans. This will cost, however, considerably more than our estimators figured originally.

UTILIZATION OF SURPLUS ARMY AND NAVY HOSPITALS

The Veterans' Administration is making a serious and continuing effort to alleviate the difficulties confronting us, so far as we have authority to do so. We are making maximum practicable use of hospitals available by transfer. At the present time we have taken over 14 hospitals from the Army, 13 more are awaiting Presidential approval or formal transfer, and we have requested that 6 others be "frozen" by the Army pending our inspection. While these 27 hos-

pitals, which have been or which are being transferred to us, have a total bed capacity of 19,449, only 3,699 of these beds are in permanent buildings. They are a part of the assets we are counting on to meet our anticipated load. I have outlined the limitations of available beds in other Federal hospitals and in contract hospitals. We are making full use of them, but they constitute, at best, a small and necessary emergency reserve.

PRIORITIES FOR CONSTRUCTION MATERIALS

I would like to express again my appreciation of the constructive comments which we have received from this committee. Following your suggestion, we have made a persistent effort to clarify our position as to material priorities. This seems essential in order to provide our prospective contractors with some assurance of continuing supply. It is our understanding of the intent of Congress, as set forth in section 100 of Public Law 346, Seventy-eighth Congress, that the Veterans' Administration is entitled to share in the highest priority granted. However, with the advent of the veterans' housing program, the Civilian Production Administration issued Priorities Regulation 33 on January 11, 1946. This regulation, with its accompanying directives, sets aside substantial quantities of the basic construction materials for sale only on HH-rated orders. This action in effect places that rating, HH, on a higher level than the Veterans' Administration's MM rating. I understand that our request for inclusion in the "set aside" provisions is receiving consideration, but no decision has yet been announced.

UTILIZATION OF SURPLUS SUPPLIES AND EQUIPMENT

We have been able to assist contractors on current construction projects in securing scarce items of material by taking over surplus supplies from the Army and Navy and transferring them, in turn, to our contractors for credit at OPA ceiling prices. But, again, we are in the uncertain position of being balked by the veterans' housing program. The Federal Public Housing Authority can exercise prior refusal of all such construction materials. I am heartily for any measure to hasten the provision of homes for our veterans, but I feel strongly that those who need hospitalization must be given no less consideration. With regard to surplus equipment, General Bragdon, of the Corps of Engineers, who will have charge of a major portion of our construction program, has furnished me the following statement:

The Chief of Engineers has teams in the field now investigating the extent to which certain types of hospital equipment can be used in veterans' hospitals. It is believed an appreciable amount can be so used. However, the dollar savings will not be great due to the fact that the equipment must be dismantled, packed, shipped, and installed. It is not believed that the estimates should be reduced on account of any expected savings. I might add that also in some cases it will be necessary to repair some of it and renovate some of it. There will be a saving in the actual materials and equipment themselves, which, of course, are assets which will not have to be purchased and therefore draw down the market on critical materials.

FORM OF CONSTRUCTION CONTRACT

On the question of the form of contract best fitted to the needs of the present situation, there appears to be a difference of opinion

existing between even the most highly regarded authorities of the Federal Government. Both Admiral Moreell, of the Navy, and Commissioner Reynolds of Public Buildings Administration, expressed informal opinions that the escalator clause, suggested at our previous hearing before this committee, would have little realistic effect to compensate for the added administrative cost to the Government. General Bragdon, Director of Military Construction in the War Department, has told me that the War Department's present general policy is not to use escalator clauses in inviting bids. As I have pointed out, the hourly wage rates established by the Federal Government are but a part of the contractor's labor worries.

Admiral Morcell and Commissioner Reynolds, however, do recommend negotiated contracts, on a fixed-fee basis, as appropriate at this time. On the other hand, I understand that the use of such form of contract is not the general policy of the War Department in execution of its current building-construction program.

With further reference to fixed-fee contracts and escalator clauses, General Bragdon has furnished me the following statement:

Fixed-fee contracts are not favored at this time because, in general, their costs are greater than that of lump-sum contracts. The basic reasons are: First, that there is not the incentive on the part of the contractor to keep down costs when he knows they will be paid by the Government; and second, a much greater force of Government personnel is needed to audit reimbursement costs.

The basic justifications for fixed-fee contracts are—

(a) Necessity for speed.

(b) Uncertainties dependent upon the conditions that will be met in the execution of contracts, which uncertainties cannot be cleared before work must commence.

The element of speed is not present with the contracts under consideration. The element of uncertainty does exist in the constantly fluctuating and ever-increasing costs. However, it may be that some fixed-fee contracts should be used. The present policy of the Chief of Engineers is to use them in rare cases wherever study shows convincingly that it is in the interest of the Government.

It is believed that the present situation does justify fixed-fee contracts more than normal situations, but it is not believed that the conditions are yet so complicated as to warrant an adoption of the fixed-fee contract as being justified for adoption as the method of putting this work under way. Bids should be taken; and in individual cases where it appears the only way of getting work under way, the fixed-fee contract then can be resorted to.

The Engineer Department has a case in point now where bids were taken and it appears that, due to all circumstances of the case, a fixed-fee contract will have to be let. This, however, is an exception, to be treated as such. If the Veterans' Administration or any Government agency begins to adopt the fixed-fee contract at this time as a general method of contracting because of conditions, contractors will refuse altogether to give firm bids and it will only prolong the time until conditions become normal and we are back again on the standard economical method of taking competitive bids. To adopt a policy of fixed-fee contracts would lose the economy of competitive bids in the many cases where they are now still obtainable.

ESCALATOR CLAUSES

Escalator clauses are justified to protect the Government and the contractor primarily in a condition of rising unstable labor conditions.

This situation exists now. The time element is a very important factor. Projects of less than 6 to 9 months' duration most certainly should not include escalator clauses. Where the projects extend over 2 years they are more justified. Contractors who have been requesting escalator clauses have agreed that the time element is important and that jobs less than 9 months would not warrant it. Most good contractors protect themselves on materials and make their agreements with labor when they get their contract. It is realized that in these days they can often not get any satisfactory agreements from material men and

also that wages will increase even in a period of time. The Chief of Engineers recently made an extensive study of the use of escalator clauses and just recently decided against their adoption at this time, in spite of the fact that many excellent contractors advocated it.

Some of the same considerations affect the use of escalator as are applicable to the use of fixed-fee contracts. Once the use of the escalator clause is started, it will be very difficult to break away from it even when conditions clear. A general adoption of the escalator clause would be a recognition of the continuing upward inflationary trend and involve a partial acceptance of the fact that constantly increasing prices are to be expected. Contractors should be encouraged to keep down costs. If they know that the Government will cover increased labor and material costs, even though only partially, there will be less incentive on their part to keep down these costs.

If a low bid is received that is considered excessive under the present laws and regulations, authority exists to negotiate with the low bidder. In this negotiation the escalator clause can be offered in exchange for a reduction in price.

In view of all the foregoing, the Chief of Engineers adopted the policy for his Office of not using the escalator clause except in rare special instances when a study of a specific case indicates that it is to the advantage of the Government to do so.

The volume of invitations for bids being issued by State governments indicates that they are doing business in the conventional way. It is my feeling that competitive bidding is the essence of our democratic business relationships, and a protection to the public interest to be abandoned only in the most urgent emergency. Furthermore, I would not be happy in defending the increased staff of checkers and accountants who would be required to administer negotiated contracts for our program.

My concern, regarding the form of construction contract to be used, is primarily with the end rather than the means. If subsequent experience, or the instructions of this committee, indicate that an escalator clause, a fixed-fee, or any other change in our form of contract is in the best interest of the veterans and the Government, I shall not hesitate to favor it.

The ideal solution would be to experiment with different types of contracts and present the results to you. For two reasons this is impracticable. One is the obvious fact that, even if we were able to prepare a conclusive analysis of our experience this year, the committee might not be here to receive it. The second reason is that rejection of bids is further narrowing the field of bidders. It costs a contractor several thousands of dollars to submit a bid on a project of the average size included in our program. He gambles that money only upon a fair expectation of getting it back.

We have taken steps to liberalize our specifications so as to relieve prospective contractors of certain insoluble difficulties with respect to materials.

INCENTIVE TO BID

In my opinion, there is one other thing which is most likely to encourage contractors to bid. We have revised our estimates on all new hospitals in the approved program. These estimates become available to contractors through public records. When these estimates, or the appropriations based on these estimates, are inadequate as compared with the existing market, as is now the case, it becomes quickly apparent to a contractor that the construction cannot be accomplished within the funds appropriated. He saves himself money, therefore, by not bidding. I believe that our revised estimates are reasonably in line and will invite bids.

BASIS OF REVISED ESTIMATES

As I have previously informed you, the bids on our hospital projects at Grand Junction, Colo., and Providence, R. I., were rejected because they were substantially in excess of original estimates. There was no other practicable course open to us. In both cases the bids were submitted by reliable contractors with whom the Veterans' Administration has had satisfactory previous experience. Further analysis of these bids has led to the conclusion that they were, in fact, fair and equitable under market conditions at that time. We have taken them as a basis, adjusted according to Engineering News Record cost indexes, together with revisions of our original estimates in terms of increased space requirements under our advanced criteria, and from this correlation we have developed our revised estimates. During this operation we have had the benefit of advice from the War Department, Corps of Engineers, qualified private architects, and contractors. These results have been checked against adjusted cost figures of various representative hospitals.

These revised estimates for individual projects in the program we are discussing today do not include any forecast of future increase in construction costs. They do, however, include one element other than increased building costs from date of original estimates to date and added cost occasioned by our revised hospital-construction criteria. This third element is the cost of sites in metropolitan areas. In a few cases, hospitals which were originally proposed to be built on land already under Veterans' Administration control will require separate sites. One of these is the Washington, D. C., hospital which was originally contemplated for erection at Mount Alto, and which is now being considered for location on a separate site.

REVISED ESTIMATED COST OF NEW HOSPITALS

You have already appropriated \$331,452,814 for construction of the 76 new hospitals, in our approved program for which contracts have not been awarded. For the reasons stated above, it is estimated that \$341,250,031 is the minimum of additional funds required to award contracts for the construction of these 76 new hospitals today. I present a schedule showing the projects involved.

(The schedule follows:)

Detail schedule of projects

NEW HOSPITALS PHYSICALLY SEPARATED FROM EXISTING HOSPITALS WITH NO CHANGES IN NUMBER OF BEDS

Index No.	Location	Beds		Program	Original estimate
		Number	Type		
1	Sioux Falls, S. Dak.....	150	General medical.....	Fiscal year 1944.	\$1,000,000
		150	do.....	1946 supplement.	1,715,737
		1,492			2,715,737
2	Peekskill, N. Y.....	492	Neuropsychiatric.....	Fiscal year 1945.	5,790,000
		1,984		Fiscal year 1947.	2,374,294
					8,164,294

*Detail schedule of projects—Continued*NEW HOSPITALS PHYSICALLY SEPARATED FROM EXISTING HOSPITALS, WITH NO
CHANGES IN NUMBER OF BEDS—Continued

Index No.	Location	Beds		Program	Original estimate
		Num- ber	Type		
3	Miles City, Mont.	100	General medical and sur- gical.	1946 deficiency	\$1,052,312
4	Minot, N. Dak.	150	do.	do.	1,463,980
5	Manchester, N. H.	151	do.	do.	1,786,558
6	Grand Junction, Colo.	150	do.	do.	1,527,073
7	Southwest Georgia.	250	Tuberculosis.	do.	3,002,450
8	Big Spring, Tex.	250	General medical and sur- gical.	do.	2,570,753
9	Fresno, Calif.	250	do.	do.	2,634,676
10	Iron Mountain, Mich.	250	do.	do.	2,555,037
11	Kansas City, Mo.	250	Tuberculosis.	do.	2,418,058
12	Seattle, Wash.	300	General medical and sur- gical.	do.	3,351,216
13	Wilmington, Del.	300	do.	do.	3,300,247
14	Providence, R. I.	418	do.	do.	3,404,222
15	Eastern Connecticut.	400	Tuberculosis.	do.	2,956,885
16	Shreveport, La.	450	General medical and sur- gical.	do.	3,715,361
17	Wilkes-Barre, Pa.	475	do.	do.	3,703,063
18	Kansas City, Mo.	495	do.	do.	3,805,762
19	Salisbury, N. C.	921	Neuropsychiatric	do.	5,462,201
20	Pittsburgh, Pa.	1,248	General medical and sur- gical.	do.	11,431,311
21	Fort Hamilton, N. Y.	1,000	General medical.	do.	10,848,763
22	Western Pennsylvania.	1,828	Neuropsychiatric	do.	9,169,967
23	McComb, Miss.	200	General medical.	do.	2,490,721
24	New Haven, Conn.	500	General medical and sur- gical.	1946 supple- ment.	4,060,536
25	Albany, N. Y.	1,000	do.	do.	10,423,706
26	Buffalo, N. Y.	1,000	do.	do.	10,388,664
27	Newark, N. J.	1,000	do.	do.	10,423,706
28	Baltimore, Md.	300	Tuberculosis.	do.	4,445,876
29	Washington, D. C.	750	General medical and sur- gical.	do.	6,151,799
30	Gainesville, Fla.	1,000	Neuropsychiatric	do.	6,696,845
31	Clarksburg, W. Va.	200	General medical and sur- gical.	do.	2,425,278
32	Louisville, Ky.	750	do.	do.	4,577,129
33	Decatur, Ill.	250	do.	do.	2,768,258
34	Duluth, Minn.	200	do.	do.	2,497,751
35	Southern Minnesota.	200	Tuberculosis.	do.	2,655,701
36	Iowa City, Iowa.	500	General medical and sur- gical.	do.	3,756,784
37	Omaha, Nebr.	500	do.	do.	3,975,526
38	New Orleans, La.	500	do.	do.	4,061,005
39	El Paso, Tex.	500	Neuropsychiatric	do.	5,047,000
40	Oklahoma City, Okla.	1,000	do.	do.	8,369,440
41	Phoenix, Ariz.	200	General medical and sur- gical.	do.	2,380,440
42	Cincinnati, Ohio.	750	do.	do.	4,607,392
43	Birmingham, Ala.	500	General medical.	1947 supple- mental.	3,974,030
44	Little Rock, Ark.	500	do.	do.	4,011,263
45	Tallahassee, Fla.	200	do.	do.	2,285,180
46	Fort Wayne, Ind.	200	do.	do.	2,529,186
47	Grand Rapids, Mich.	200	do.	do.	2,529,186
48	Ann Arbor, Mich.	500	Tuberculosis.	do.	4,222,380
49	Saginaw, Mich.	200	General medical.	do.	2,529,186
50	Tupelo, Miss.	200	do.	do.	2,285,180
51	St. Louis, Mo.	500	Neuropsychiatric	do.	5,111,416
52	Southern Missouri.	1,000	do.	do.	7,314,747
53	Poplar Bluff, Mo.	200	General medical.	do.	2,285,180
54	Grand Island, Nebr.	200	do.	do.	2,679,186
55	Metropolitan New York.	1,000	do.	do.	10,938,940
56	Syracuse, N. Y.	1,000	Neuropsychiatric	do.	7,426,300
57	Durbam, N. C.	500	General medical.	do.	3,974,030
58	Charlotte, N. C.	500	do.	do.	3,974,030
59	Toledo, Ohio.	1,000	Neuropsychiatric	do.	7,426,300
60	Klamath Falls, Oreg.	200	General medical.	do.	3,002,347
61	Philadelphia, Pa.	1,000	do.	do.	10,912,417
62	Altoona, Pa.	200	do.	do.	2,539,186
63	Erie, Pa.	200	do.	do.	2,824,186
64	Harrisburg, Pa.	200	do.	do.	2,824,186
65	Greenville, S. C.	200	do.	do.	2,285,180
66	Cbattanooaga, Tenn.	500	do.	do.	3,974,030

Detail schedule of projects—Continued

NEW HOSPITALS PHYSICALLY SEPARATED FROM EXISTING HOSPITALS, WITH NO CHANGES IN NUMBER OF BEDS—Continued

Index No.	Location	Beds		Program	Original estimate
		Number	Type		
67	Bonham, Tex.....	50	General medical.....	1947 supple	\$1,945,691
		300	Domiciliary.....	mental.....	
68	Houston, Tex.....	1,000	Neuropsychiatric.....	do.....	7,314,747
69	Salt Lake City, Utah.....	500	do.....	do.....	5,111,416
70	Spokane, Wash.....	200	General medical.....	do.....	3,002,347
71	Madison, Wis.....	500	Tuberculosis.....	do.....	4,222,380
72	Beckley, W. Va.....	200	General medical.....	do.....	2,539,186
	Total.....	36,870			321,234,002

NEW HOSPITALS, PREVIOUSLY LISTED AS ADDITIONS TO EXISTING HOSPITALS

73	Chicago, Ill.....	600	General medical.....	1944.....	\$10,218,812
74	Indianapolis, Ind.....	500	do.....	1946 deficiency.....	
75	Boston, Mass.....	1,000	do.....	do.....	
76	Dallas, Tex.....	500	do.....	do.....	
	Total.....	2,600			10,218,812
	Subtotal.....	39,470			331,452,814

¹ Applies to fewer number of beds.

It is my belief that revised estimates for our new hospital construction program constitute a fair appraisal of the cost of executing this construction on today's market. Frankly, due to uncertainties in construction costs, I cannot guarantee that we can build these new hospitals for the funds requested. I do not believe that anyone can guarantee the accuracy of an estimate today. The ultimate cost may be somewhat less. In that case I shall be happy indeed to report an unexpended balance. Current trends indicate, however, that the cost, when these projects reach a bidding stage, will be more than even what we estimate today.

REQUEST FOR CONTINGENCY FUND

As mentioned, I have not attempted to include any forecast of the future in our revised estimates for individual projects. However, no leader willingly plans an advance against difficult and uncertain opposition with the minimum strength indicated to be essential. A vital factor in winning strategy is to have in reserve a little more than it is hoped will be needed. I believe, therefore, that an additional \$100,000,000, or approximately 15 percent of the total estimated cost of our new hospitals, should be provided as a contingency fund. It is our intent to promptly submit justification also for this additional sum to the Bureau of the Budget. The campaign to complete these hospitals in time to meet the needs of our veterans is one to which I am committed, heart and soul. I cannot willingly forego any means to avoid the further serious delay that would result if our calculations proved overoptimistic after the Congress has adjourned. We shall expect to draw upon this fund only with approval of the Bureau of the Budget, and to give a strict accounting to the committee at the next session of the Congress.

REQUEST FOR REMOVAL OF PROJECT LIMITATION

Given the additional funds referred to above, the principal remaining requirement is room in which to maneuver. I need a working understanding with the committee by which the Veterans' Administration may award contracts for individual projects in the approved program, upon determination that such award is to the best interest of the Government, subject only to availability of funds within the over-all appropriations.

With respect to this necessary freedom in awarding individual contracts, I need hardly remind you, gentlemen, that we shall be under the ever watchful eye of public opinion as we begin construction of these hospitals. We are committed not only to a certain total of beds for American veterans, but to their distribution in definite locations throughout the country. The blast of protest that will follow omission of even one project is a strong guaranty against possible temptation to put all or any undue proportion of our eggs in one basket.

That, gentlemen, represents the results of my study.

EMPLOYMENT OF TECHNICAL AND CLERICAL ASSISTANTS IN DISTRICT OF COLUMBIA
FOR PREPARATION OF PLANS, ETC.

There is one other point in connection with this program.

The present appropriations contain a clause which provides that we shall not exceed 3 percent of the amounts appropriated to be available for the employment in the District of Columbia and in the field of necessary technical and clerical assistants to aid in the preparation of plans and specifications for the projects as approved and in the supervision of the execution thereof, and for traveling expenses, field office equipment and supplies in connection therewith.

At the time that these previous appropriations were authorized the medical criteria were well established and the relatively small volume of construction work permitted us in some cases to duplicate the plans and specifications for various new projects with minor adjustments. In a number of cases, where new buildings were constructed at existing hospitals, standard plans already developed were used with minor adjustments to suit site conditions. At the same time our technical force was well experienced in the various types of construction and inspection at existing hospitals, as well as the construction of new hospitals, and it was possible to utilize the services of the regular force in connection with both types of work. These advantages materially reduced our overhead costs and we were able to comply with the 3 percent limitation.

At this particular time our volume of construction projects has increased tremendously and in order to keep abreast of the developments in medical sciences, new criteria have had to be developed to be used as a basis for the design of our new hospitals. Because of the speed with which we must complete this program and our lack of qualified personnel and space, it has been considered advantageous for the Corps of Engineers to assist us in the construction of the major portion of our program. The plans and specifications will be prepared by the Corps of Engineers by the employment of outside professional services and construction will be under their supervision. The Corps of Engineers is making every effort to see that the work

involved will be accomplished at the lowest possible cost under present conditions and have estimated that the cost of overhead, design, and inspection will be 9.3 percent broken down as follows:

Items:	Percent of construction cost
1. Overhead: Central.....	0.4
Field:	
Division.....	.4
District.....	2.5
Total overhead, central and field.....	3.3
2. Design, average.....	4.0
3. Inspection.....	2.0
Total overhead, design, and inspection cost.....	9.3

To the figure of 9.3 percent there must be added for Veterans' Administration expenses in these categories 0.7 percent, which makes a total of 10 percent for projects assigned to other Government agencies and persons outside the Federal service to provide such service.

For the portion of the program to be designed and supervised by the Veterans' Administration we have estimated the cost of overhead, design, and inspection will be 6.7 percent.

Mr. CANNON. That completes your statement, General Bradley?
General BRADLEY. Yes, sir; unless we might go over these——

CONSTRUCTION OF HOSPITALS BY ARMY ENGINEERS

Mr. CANNON. In the beginning, all of this construction is by the Army engineers, as I understand it, with funds allocated by you?

General BRADLEY. All of the new construction. We propose to supervise construction of some of the additions with our own personnel, which, as you know, is very small, because the number of beds constructed year after year has been very small in the past, so our staff is not very large; but we propose to take some of the additions. But all of the new hospitals will be turned over for supervision to the Corps of Engineers who will supervise the letting of the contracts for the architects, the drawing up of the plans, supervising construction with their field force, which they have scattered all over the country, and well qualified.

Mr. CANNON. But the actual construction will be paid out of funds allocated to them by you for the various projects?

General BRADLEY. Yes, sir. We have to transfer to them these funds to cover a lot of extra overhead—travel, architect fees for drawing up the plans, inspection, and so forth.

Mr. CANNON. And you already have quite a sizable backlog of projects at this time?

General BRADLEY. Yes.

ESTIMATED TOTAL COST OF HOSPITALS

Mr. CANNON. What would be the total cost, General Bradley, of all those projects you now have ready for construction, at the estimate upon which the original appropriation was based?

General BRADLEY. You mean on the criteria of hospitals at that time?

Mr. CANNON. Yes; going back to the time when you submitted your original estimate and the estimate on which we gave you the appropriation, what would be the total cost of all those projects?

General BRADLEY. I am not sure I get your question; but we estimate the total cost will be \$672,702,000.

Mr. CANNON. Of all the projects you now have?

General BRADLEY. Of the new projects which have been approved by the Congress.

DISCUSSION OF RATE OF EXPENDITURES AND CASH REQUIREMENTS TO
JUNE 30, 1947

Mr. CANNON. Now, as to the amount of money you have on hand, has an estimate been made of the total amount to be expended—not obligated, but expended—as of the end of the fiscal year 1947; that is, by June 30, 1947?

Mr. DRYDEN. It is estimated that obligations in the first quarter of 1947 would be \$36,600,000 and, in the second quarter of 1947, \$325,384,000.

Mr. CANNON. Now can you estimate it for the last two quarters? What would be the total?

General BRADLEY. The third quarter would be \$284,260,000, and the fourth quarter would be \$58,600,000.

Mr. CANNON. That is money actually required for expenditure—not for obligation?

Mr. DRYDEN. That is the money we would have to have before we could award contracts under existing authority before we could incur this obligation.

Mr. CANNON. How much is that, again? I would like to have the money up to the end of June 1947.

Mr. DRYDEN. Practically \$700,000,000 that would be required to be encumbered for letting contracts by the end of the fourth quarter of 1947.

Mr. CANNON. You would have to have that much cash?

Mr. DRYDEN. Yes, sir; unless we are authorized by Congress to enter into contracts, and incur obligations beyond our existing authority.

Mr. CANNON. Now, if you make the most favorable progress, the most satisfactory progress you can at this time visualize, do you think you can get all of the projects for which appropriation has been made under contract and under construction by the end of the next fiscal year, that is, by June 30, 1947?

General BRADLEY. I would like General Bragdon to answer that.

General BRAGDON. Yes, sir.

Mr. CANNON. You think that can be done?

General BRAGDON. That is right.

Mr. CANNON. All for which appropriation has been made?

General BRAGDON. That is right.

Mr. CANNON. Of course, what I am trying to do here is to find out whether or not you are likely to exhaust your money and your contractual authority—whether you will need any more money or any more contractual authority by that time.

General BRADLEY. We think with additional contract authority this \$672,000,000, plus a contingency fund of \$100,000,000, we can let all of these contracts.

I might say the way we are developing this program after we once get the money and having already established the criteria for these various types and sizes of hospitals, we can get the work under way very quickly. That is the reason we think we can get these contracts all let before the end of the fiscal year 1947. I think you have about a dozen already?

General BRAGDON. We have 13 that we have actually negotiated for contracts, for design only; we have four others that we have selected the architect and engineer. For the other five, we have the names in, ready to select.

General BRADLEY. And those will go to the Corps of Engineers at the rate of about four a week, or as fast as we can get Presidential approval of the sites. We hope to get those all by the 1st of July.

Mr. CANNON. General Bradley, would any legislation be required or is there at the present time any legislation required to permit you to resort to other than competitive bidding in the event other than competitive bidding would be warranted by any circumstances which may arise—or do you already have that authority?

General BRAGDON. They have that authority now in the Veterans Administration.

Mr. CANNON. So it would not be necessary to have any legislation?

General BRAGDON. No, sir; they can be negotiated.

AWARDS OF CONTRACTS

Mr. TABER. Have any of these contracts already been let?

General BRADLEY. No, sir.

Mr. TABER. On page 16 there were several of them where the bids, according to the way it looks to me, were below the estimates, or right around the estimates. I wonder why those were not let.

(Editor's note: The page referred to is p. 83 et seq of this hearing.)

For instance, there is one in Gulfport, which is only just a little bit above; there is one in Bedford, Mass., that is below, and there is one in Tomah, Wis., that is only just a little bit above, and one in——

General BRADLEY. Page 16, I think you are reading from?

Mr. TABER. Yes.

General BRADLEY. That is a list of projects for which awards have been made and bids received and rejected, February 2 to March 30, 1946.

Mr. TABER. Does this mean contracts have been let on those?

Mr. DRYDEN. In Gulfport, the contracts were awarded.

Mr. TABER. How about Bedford?

Mr. DRYDEN. In Bedford they were awarded.

Mr. TABER. How about Tomah?

Mr. DRYDEN. They were awarded.

Mr. TABER. Have all those been awarded?

Mr. DRYDEN. All of those except Sioux Falls.

Mr. TABER. And Peekskill?

Mr. DRYDEN. And Peekskill.

Mr. TABER. And perhaps Grand Junction?

Mr. DRYDEN. Grand Junction and Providence.

Mr. TABER. Those four were not awarded?

Mr. DRYDEN. No, sir.

Mr. TABER. The rest have been awarded?

Mr. DRYDEN. Yes, sir; and are under contract.

INCREASE IN ESTIMATES FOR CONSTRUCTION COSTS

Mr. TABER. The estimates brought in here today are shaping up 100 percent above what they were when the funds were provided. Why should they shape up that much above?

General BRADLEY. I think General Bragdon can answer that better than I can, because he has gone into it in quite some detail.

Mr. TABER. And why would not there be some of them where the conditions would permit of a lower increased estimate?

General BRAGDON. I think the national average will hold in the long run. In General Bradley's statement, we brought out that in our other work we are getting good prices which compare favorably with the Government estimates; but, in the long run, in the over-all program, we find these Engineering News Record averages are the ones that count, and we made a study to see just how that would work out, and we took nine hospitals constructed in various States from 1920 through 1941, and the average cost per cubic foot of those hospitals was 0.91—that is, 91 cents. We took the Engineering News indexes for the various years, and then the Record of May 1, 1946, showing the national average, and that indicated a ratio of about 257, approximately and taking their indexes through the various years and applying that same average, the cubic foot cost was up to \$1.20.

Mr. TABER. That would only be about 33⅓-percent increase.

General BRAGDON. Yes, sir; but I have not finished. There is also an Engineering News Record index of efficiency of labor. That index was for what they call their construction index, and really involves the cost of cement, lumber, steel, and a certain amount of labor, reflecting the increase in the cost of labor but not reflecting the efficiency. Taking the Engineering News Record, and not only that but our own experience in the war, shows that throughout the United States there is an average now of only 65 percent efficiency. That study was made in about 20 localities throughout the United States.

If you will apply that to the total cost of the construction, it would mean the construction cost should go up about 25 percent. It is hard to put your finger on the different factors in that; also, we hope it will improve.

So we therefore only took a correction of 6 percent, and that brings the cubic cost up to \$1.28. We expect, however, that index will go up within the next 2 years about 15 percent. If you take the experience after the last war and take it from now to the peak, after the last war for the corresponding time, the peak cost rose 37.5 percent. However, there are controls on, and we think those controls will to a certain degree be efficacious, so we took only 15 percent, or between a half and a third of the experience after the last war.

We also believe the peak will not be passed for possibly 18 months to 2 years, instead of just 12 months after the last war. So, applying only a 15-percent correction as a fair rise, that would give us a figure of \$1.48 per cubic. That is exclusive of this overhead for engineering, supervision, and straight overhead. And applying that 10 percent, that gives an over-all cubic cost of \$1.63.

Those rises are very real. Right now we are building a hospital in Hawaii where we had allowed \$2,500,000 for labor rise, and we have just given them an increase, a weighted average increase, of 23 cents, and that eats up our entire \$2,500,000 cushion just in one swoop.

So that when you apply those indexes, they are real and actual and are taking place all the time. So \$1.63 would be our average cubage cost, according to this study, and I think it is conservative and very practical.

General BRADLEY. If you will remember, we stated the way our estimates were made, some would be on a basis of 67 cents per cubic foot, and some on a basis of 75 cents.

REQUEST FOR PRIORITY ON MATERIALS

Mr. TABER. Now, I wish you would turn to page 12 of the justification, to this last sentence, which to me is the most outstanding part of the statement, which reads:

I understand that our request for inclusion in the "set aside" provisions is receiving consideration, but no decision has yet been announced.

What is the use of our spending any time on the subject until that operation is over with?

General BRADLEY. Well, we think we can straighten that out administratively; but, if we wait until it is finally straightened out administratively, it may be too late to come to you for this appropriation and it will carry over for another year, with our being unable to do anything until that time.

Mr. TABER. Why would it not have been possible before you came up here today to have it decided, General? It looks like they got you bogged down in a bunch of Government red tape.

General BRADLEY. Here is a letter which I would be glad to read, if you like, which I sent to Mr. Small on May 17, on this subject, again calling his attention to this question of priority of materials.

Mr. TABER. If we give you some money for this, and you go to Mr. Small, and this thing continues to drag, we are not doing you any good; on the other hand, we are putting pressure behind the picture to raise everything, which might be the worst thing we could do for you. I am sympathetic to your getting your hospitals, but we ought to use our heads a little bit on it.

General BRAGDON. The construction capacity of the country is supposed to be about \$16,000,000,000. Mr. Wyatt's program will take about \$4,000,000,000. Maintenance and operation generally takes about 5½ to 6 billion dollars. That still leaves a comfortable margin for big programs, I mean high-priority programs, like this one.

Mr. TABER. But high priorities do not amount to anything if you do not have them.

General BRAGDON. But the construction capacity is still there. They are setting aside for the HH rating 60 percent. I do admit that those are the very critical materials and a lot of them are ones that we need. But still we should be capable of operating on the other 40 percent. It makes it more difficult, though, because they have the first in on it, as it were, now. But it is still possible to operate our program. This veterans program will be about half—about \$350,000,000 to \$400,000,000. That is still a small fraction of the remaining capacity of the country.

Of course, a lot of commercial things have to go on, too, but they should not have a higher priority than Veterans' Administration.

It would be nice to make sure that we could get in the set-aside which gives the HH rating. Normally the HH rating would be lower than the MM rating. But the way they finally drew it up, making the HH superior on 60 percent, is what makes it difficult. If they grant what General Bradley has requested, we would be all right and we could operate to a certain extent, but it would be more difficult in the other 40 percent.

DEMAND FOR BEDS

Mr. TABER. Is the demand for beds equivalent proportionately to the number that you have supplied in these localities?

General BRADLEY. Yes. These 76 were designed to be distributed to equalize the number of beds per thousand veterans over the country.

Mr. TABER. How many beds are involved in the 76?

General BRADLEY. 39,470.

Mr. TABER. Within what time would you anticipate that you would have them available if the funds were presently made available?

General BRADLEY. Approximately 2½ years before the largest ones would be finished. That would be at the end of 1948.

Mr. TABER. About the 1st of January 1949?

General BRADLEY. December of 1948. We estimate that we are going to have to give the contractor on these large hospitals 18 months to 2 years to construct after he gets the contract. It will take possibly 6 months to finish the designs and architect's detailed plans. That adds up to 2½ years for the largest ones.

General BRADGON. For the smaller ones it would be proportionately lower. I think some of them probably could be finished in about 20 months, up to 30 months for the largest.

Mr. TABER. I think that is all I have at this time.

NUMBER OF VETERANS AWAITING HOSPITAL ADMISSION

Mr. WIGGLESWORTH. General, from the short-run point of view, I notice that you say that there were 26,000 veterans awaiting admission on March 1 of this year. Does that mean that the bed capacity was 26,000 less than the demand at that time?

General BRADLEY. That is right, sir.

Mr. WIGGLESWORTH. You have stated that you have taken over 27 hospitals from the Army and you are asking that 6 others be frozen pending your inspection. That includes 19,449 beds. Does that bed capacity apply against the 26,000 or is the 26,000 over and above that?

General BRADLEY. Where we have those in operation they are not counted in the 26,000. Some of these we are taking over from time to time as the Army turns them loose and we can get them staffed. I think in March at the time that 26,000 was reported, we only had about 4.

Mr. WIGGLESWORTH. What is the situation now on bed capacity compared with demand?

General BRADLEY. The last figure, April 30, was that there were over 25,000 awaiting hospitalization on our lists.

Mr. WIGGLESWORTH. What are you doing with them?

General BRADLEY. They are on a list and they come in as beds become available. Somebody else may come in and take their place on the waiting list.

Mr. WIGGLESWORTH. Are they being hospitalized outside of the Veterans' Administration set-up?

General BRADLEY. Those with service-connected disabilities are being taken care of in an emergency in outside hospitals.

Mr. WIGGLESWORTH. When you speak of fixed-fee contracts, you mean the old cost-plus contract, do you not?

General BRADLEY. Yes.

DISCUSSION OF CONTINGENCY FUND FOR INCREASED COSTS

Mr. WIGGLESWORTH. You say that you want an additional \$100,000,000 contingency fund, and a working understanding with this committee that you are free to go ahead and award contracts under the additional \$341,000,000 requested. Does that mean that there is no limit of cost here for the 76 hospitals or for any one of those hospitals?

General BRADLEY. Our estimate on the \$672,000,000 total, without that \$100,000,000, was based on present prices. We recommend a contingency fund of \$100,000,000 to take care of any increased costs during the construction period. That further has the advantage, in my opinion, that it does not show on each individual hospital cost, which might induce some contractors to bid up to the maximum that was appropriated for that project.

Mr. WIGGLESWORTH. But, as a matter of law or as a matter of practice, there is no stipulated limit of cost for any hospital?

General BRADLEY. No, sir. There would be the amount which we recommended, and then we would have this amount to take care of things, if the lowest bid was slightly more than the amount appropriated. So that we would not have to hold it up for another year in order to get an additional appropriation. We could take care of it out of this \$100,000,000, if it were necessary.

Mr. WIGGLESWORTH. That is all.

SPREAD OF BIDS SUBMITTED

Mr. DIRKSEN. General Bradley, I notice some very interesting things about these bids that you got on some of these hospitals. For instance, the high bid at Peekskill was 138 percent over the estimate and the low bid at Rutland, Mass., was 25 percent under. What would be a spread as against the best estimate of about 163 percent in the over-all?

General BRADLEY. I believe one of them was a new hospital and the other was an addition, was it not?

Mr. DRYDEN. That is right.

Mr. WIGGLESWORTH. Irrespective whether it was new or an addition, each involves a sufficient amount of money to make it a little difficult to understand quite that spread, even allowing for 35-percent inefficiency in labor and probably the addition of 50 percent in other costs. Bidding against the same base estimate, I am just wondering whether there is an indifference on the part of some contractors toward this type of work.

General BRADLEY. There are two things involved there. That Peekskill item was a 1944 estimate and there were some additions to the construction after the estimates were made.

Mr. DIRKSEN. I thought perhaps the time factor accounted for it, but on the other hand—

General BRADLEY. It is not all that. There were some additions made to the Peekskill hospital. I do not remember what the details were; but, in examining the plans that were used when the estimates were drawn up, it was found that there were some things that were necessary that had been left out, and they were included in the plans when the bids were invited.

Mr. DIRKSEN. Take, for instance, Fargo and Sioux Falls, both in the same section of the country. Your transportation problem and accessibility of material are about the same. The low bids were 25 percent apart and the high bids 39 percent apart. Those both came in 1945. The bids were received: one in April 1945 and the other in May, roughly about a month apart.

Mr. DRYDEN. One was prepared in 1942.

Mr. DIRKSEN. The bids came in just about 30 days apart. There was a rather substantial spread.

Mr. DRYDEN. Taking the cubic-foot cost, one is 77 cents and the other is 74.

Mr. DIRKSEN. I did not cube it, to see.

Mr. DRYDEN. That is it.

Mr. DIRKSEN. Another interesting thing about it is that at Providence, for instance, you only got one bid?

General BRADLEY. That is right.

Mr. DIRKSEN. And at Grand Junction you got three; at Peekskill you got two. But I notice that generally you got between 6 and 19 bids on most of these and I wondered whether there was some difficulty in a particular locality that would make a contractor reluctant to bid.

General BRADLEY. As I pointed out a while ago, I believe that conditions are getting worse and costs are going up, and when these contractors know how much has been appropriated for a project, they can see by a hurried estimate that they cannot bid anywhere near that, they do not go to the expense of figuring out a detailed bid and they do not submit a bid. They know themselves that we cannot award the contract because there is not sufficient money to make the award and therefore they do not waste money in preparing a bid. I think that has something to do with it.

ESTIMATED INEFFICIENCY OF LABOR FACTOR

Mr. DIRKSEN. General Bradley, with reference to the statement in your prepared manuscript about the inefficiency of labor, is that a factor that you think we are going to have to contend with in this program right along, or is it likely to cure itself, to some degree at least?

General BRADLEY. I would like General Bradyon to answer that question. He has some studies upon that.

Mr. DIRKSEN. The reason for raising the question is to find out whether it is going to be a part of your calculation from here on out.

General BRADYON. I think it will as long as the present unsettled conditions last. That is why I quoted this index. We think we should add 25 percent on to that, but I am not quite that pessimistic. We only included about 6 percent. We got some bids that we took a short time ago and tried to get some of the prices down and we suggested an escalator clause. This was a \$2,000,000 job, but the offer for the escalator clause was only about \$25,000. He said in that particular case that he was not so much worried about some other rises, but he was expecting shortages and stoppages, the men just not working.

We have found that a good bricklayer ought to lay between 1,000 and 1,200 brick a day and if they get 400 a day now, they are lucky. And that works out all the way through.

Mr. DIRKSEN. If we embark on this program, there is no absolute assurance that we can keep it even within this outside estimated limit; that is to say, there may be other increases in materials, wage rates, and so forth?

General BRADLEY. I do not believe we can guarantee anything at the present time. This is our best estimate, but I do not believe anybody can guarantee anything right now, not even if the railroads are running a couple of days from now.

FRIDAY, MAY 24, 1946.

HOUSE OF REPRESENTATIVES

STATEMENT OF J. C. SHANKS, DISBURSING OFFICER OF THE HOUSE OF REPRESENTATIVES

Mr. CANNON. There are six items here in House Document 605 for the House of Representatives, three for 1946 and three for 1947, in the aggregate of \$107,800.

We have with us this morning Mr. Shanks, the disbursing clerk of the House, and I will ask him to explain the six items.

CONTINGENT EXPENSES, TELEGRAPH AND TELEPHONE

Mr. SHANKS. Mr. Chairman, first, you no doubt will recall that I appeared before your committee 2 months ago when the second deficiency bill was under consideration, and I predicted at that time that if there was not a remarkable reduction in the telegraph bills, that I would be back before you again, and here I am.

Mr. CANNON. A remarkable reduction has not materialized?

Mr. SHANKS. It has gone the other way. We have increased.

For example, the bills for February and March were, roughly about \$22,000. The April bill came in 3 days ago and was over \$24,000, an increase of \$2,000, which was the highest bill that we have ever received.

(The following is an analysis of the estimate:)

Contingent expenses of the House, telegraph and telephone

Appropriated 1946 legislative act.....	\$200, 000
Amount expended.....	197, 500
Balance.....	2, 500
Telegraph bills pending.....	74, 000
Estimated amount required both regular and pick-ups, May and June.....	60, 000
Additional amount required.....	134, 000
Telephone bills estimated April, May, and June.....	19, 000
Total amount required for both telegraph and telephone.....	153, 000
Less balance on hand.....	2, 500
Less amount appropriated, second deficiency bill.....	125, 000
Estimated deficit.....	25, 500
Additional amount estimated for 1946.....	25, 000

Mr. CANNON. What are the items chargeable under the head of telephone? They are not franked for the members, are they?

Mr. SHANKS. No. The charge for telephones is for the rental of equipment of the board and the various instruments. Also, there are the local calls and the departmental calls. There are no long-distance calls included.

Of course, we pay nothing for telephone calls within the building; nor do we pay for a call when we use a trunk line; but we have to pay rental for the trunk line.

If we make a call outside the Capitol Building through the regular exchange, it is 3 cents a call. If we go through the Government exchange it is 1 cent a call. Roughly speaking, our telephone bill runs between \$6,000 and \$6,200 a month.

Mr. CANNON. How long has this schedule of tolls been in effect? How long has it been since you have had a reduction in telephone charges?

Mr. SHANKS. We had a lower revision about 5 or 6 years ago. We used to pay a cent and a quarter for departmental calls. They were reduced somewhat, but there have been no reductions as far as the calls outside are concerned.

Mr. CANNON. Have there not been reductions in the telephone tolls throughout the country within the last 5 or 6 years?

Mr. SHANKS. As far as tolls are concerned, it would not have any effect on us because we do not have any toll charges. All local rates are fixed by the public utilities commission. We have no more priority, or any lesser rate, than a commercial firm. It all depends upon the volume of business. If a firm downtown has the same volume as we have, they would get the same rates. We have no preferential whatsoever.

On the telegraph rates it is different.

SCREENING OF LOCAL TELEGRAMS

Mr. CANNON. Are you screening these telegraph messages to be sure that they all relate to public business and come within the regulations laid down for their handling?

Mr. SHANKS. That is handled by the Committee on Accounts. Every telegram each month accompanies the bill to the Committee on Accounts and they scrutinize the telegrams. If they find a tele-

gram is not on official business, they will deduct the amount from the bill, return it to the Western Union Telegraph Co., who in turn will then bill the Member of Congress at the commercial rate.

The Government now pays 80 percent of the commercial rate regardless of the type of message. Five years ago it was 40. Then it was increased to 60 percent, and now it is 80 percent of the commercial rate.

Mr. CANNON. Why should there be an increase when the tendency for all utility charges throughout the country has been downward?

Mr. SHANKS. That was fixed by the Federal Communications Commission because the telegraph company claimed that they were losing money on the volume of business and the price they were charging the United States Government as compared with commercial business. Accordingly, the Federal Communications Commission approved these rates. It is something over which we have no control.

Mr. DIRKSEN. Off the record.

(Discussion off the record.)

CONTINGENT EXPENSES, REPORTING HEARINGS

Mr. SHANKS. I submit the following analysis of the estimate for reporting hearings.

Appropriated 1946 legislative act.....	\$27, 500
Appropriated Second Deficiency Act.....	15, 000
Total.....	42, 500
Amount expended.....	35, 500
Balance.....	7, 000
Estimated amount vouchers outstanding.....	5, 000
Balance.....	2, 000

As we have over five more weeks to go before the end of the fiscal year this balance of \$2,000 will not be sufficient and in order to be on the safe side we believe that we should secure an additional \$5,000 to meet our requirements as the committees are still holding a considerable number of hearings.

Incidentally, on my way up this morning, Mr. Stuart of the corps of reporters said that 15 hearings were being held today by the various committees, and that sometimes they have gone as high as 22 or 25.

Mr. CANNON. Are these hearings all published?

Mr. SHANKS. That would be entirely up to the chairmen of the committees.

Mr. CANNON. If a committee wants to hold a hearing, unquestionably they have that right. There is nothing for us to do but pay the expenses. There is nothing in there that is subject to an administrative change, is there?

Mr. SHANKS. No, sir. Whenever a standing committee of the House desires to hold a hearing they have a right to do so, and they notify the official committee reporters and if these men are otherwise officially engaged, they have to send out and get an outside reporter to do the job.

Mr. CANNON. And the cost is standardized?

Mr. SHANKS. Twenty-five cents a folio, 100 words. That includes both the reporting and the transcribing.

CONTINGENT EXPENSES, FOLDING DOCUMENTS

Mr. SHANKS. The following is the analysis of the estimate for folding documents:

Contingent expenses, folding documents

Appropriated 1946 legislative act-----	\$30, 000
Additional amount appropriated for increased compensation and over- time-----	10, 000
Total-----	40, 000
Amount expended to Apr. 30, 1946-----	32, 000
Balance May 1, 1946-----	8, 000

It is estimated that we will require nearly \$7,500 to meet the May pay roll for folding speeches and pamphlets which will practically wipe out our existing balance. The \$15,000 which we are now asking for the fiscal year 1946 and to remain available until June 30, 1947, is, in order to have sufficient money on hand not only to meet the June pay roll but to have a supplemental amount available for use during the fiscal year 1947. Due to this being a campaign year we do not anticipate any drop in the output of speeches and pamphlets until after the general elections in November and as we have to pay the increased compensation and so-called overtime out of our regular appropriation, which beginning July 1, 1946, for the fiscal year 1947, amounts to \$30,000, we may not have sufficient money to meet the complete pay-roll requirements as it will be at least January or February before we can secure a supplemental appropriation to reimburse the account for paying out the increased compensation and overtime. Therefore, we feel that we should have this additional \$7,500 on hand to avoid running into a deficit before Congress reconvenes in January.

In connection with this, I had a discussion with both Mr. Roberts, the Doorkeeper of the House, and Mr. Callahan, who is superintendent of the folding room, and they agreed that this would be a fair amount to ask for at this time.

Mr. CANNON. How does your total expense for this purpose compare with your expense in 1944?

Mr. SHANKS. This is the heaviest year yet. We run about \$30,000 a year, which is our usual amount for folding documents. Some years we have turned back \$5,000 or \$6,000. In order to protect some years, we had \$5,000 made available immediately from the coming fiscal year so it could be used for the outgoing fiscal year, if necessary. Sometimes we have gone into it. In a campaign or an election year it will be greater, and right today Mr. Callahan said that he had never seen so many speeches going through the folding room in his experience in charge.

Mr. CANNON. Again, this expense is standardized. It is piecework, is it not?

Mr. SHANKS. It is part piecework. The law was changed also giving the employees either an hourly or daily rate.

For example, they can pay \$5.20 a day for folding speeches. Generally, they have a lot of difficulty in getting help; at least, they have had that difficulty in the last few years. They had to bring in a considerable number of women. Some of these women come in there and may not be able to fold more than a couple of thousand of speeches a day. If they could get only \$1 a thousand, which is the maximum rate, that would mean only \$2 a day, and they are not interested. When they bring in a new person they usually put them on the daily rate of \$5.20 until they can become proficient in the work. If they.

want to elect, they can switch over to the piecework; but once they make that election, they cannot go back to the day rate.

Some of the girls, I understand, are working from 8 in the morning until 6 o'clock at night and are making \$8, \$9, and \$10 a day folding speeches on piecework.

Mr. CANNON. Is this increase due to the volume of work passing through the office, or is it due to increase in compensation?

Mr. SHANKS. It is because of the increase in the volume of work. The increased compensation is reimbursed back to us by a separate appropriation.

SALARIES, OFFICERS AND EMPLOYEES, OFFICE OF THE DOORKEEPER

Mr. CANNON. We will take up your next item.

Mr. SHANKS. This estimate of \$46,000 for the fiscal year 1947 for the salaries, officers and employees, office of the Doorkeeper, is self-explanatory, namely, for the actual amount required for the employment of 50 pages from July 1 to December 31, 1946, both dates inclusive, at \$5 a day each.

In the legislative bill we provided only for the salaries of pages for a 6 months' period, from January 1 to June 30. Whenever Congress stays in session after July 1, we have to come before your committee for a supplemental appropriation, which we have done for the last 4 or 5 years. This will pay the pages right straight through from July 1 to December 31, 1946. Then, of course, on January 1, 1947, we will pick them up in the legislative bill again.

Mr. CANNON. This is the usual amount?

Mr. SHANKS. Yes. It is exactly the amount for the 6 months' period.

Mr. TABER. I do not know, but they have been talking about adjourning here after the middle of July. If they do that, we will not need all this money, will we?

Mr. SHANKS. That would be entirely up to you gentlemen to decide, because there have been occasions heretofore when the Congress has made an indefinite appropriation until the last day of the month, when we adjourned sine die. That entailed a lot of bookkeeping. For the last 3 or 4 years we have been in continuous session, and it was considered advisable to put the 6 months in a lump sum. I do not know whether we will adjourn, take a recess, or whether we will sine die, or what not. I cannot say. If we do come back, we will have no money if not fully appropriated to pay these salaries unless we put through a special resolution.

COMMITTEE EMPLOYEES

Mr. CANNON. We will take up your next item.

Mr. SHANKS. Committee employees: This estimate of \$2,400 is also self-explanatory, namely, for the employment of a stenographer for the Committee on Expenditures in the Executive Departments, at the basic rate of \$2,400 per annum, fiscal year 1947, and was duly authorized by House Resolution 617, adopted May 14, 1946.

OFFICE OF THE CLERK

The next item is office of the Clerk. This estimate of \$14,400 is also self-explanatory, for the employment of eight additional telephone operators, at the basic rate of \$1,800 per annum each, for the fiscal year 1947, as authorized by House Resolution 628, adopted May 21, 1946.

Mr. CANNON. On how many of those do you have a Budget estimate?

Mr. SHANKS. On the operators?

Mr. CANNON. On those six items. How many of those six items are estimated?

Mr. SHANKS. They are all estimated. On the last two supplemental estimates, I gave Mr. Pugh an advance copy. A letter went through on May 21.

On the first four items, House Document No. 628 came in this morning. The other two estimates went down to the Bureau of the Budget on May 21.

Mr. CANNON. Thank you very much, Mr. Shanks.

THURSDAY, MAY 23, 1946.

CIVIL FUNCTIONS, WAR DEPARTMENT

STATEMENTS OF BRIG. GEN. G. A. HORKAN, COL. J. M. ILLIG,
AND, LT. COL. E. F. SECHREST

CEMETERIAL EXPENSES, WAR DEPARTMENT

Mr. CANNON. General Horkan, we have an estimate here in House Document 597, under "Cemeterial expenses, War Department, civil functions activities," on account of disposition of remains of World War II dead in the amount of \$92,500,000.

Will you give us a statement on this item?

GENERAL STATEMENT

General HORKAN. Recently Congress passed a bill to provide for the repatriation of the World War II dead. The War Department plans to carry out its responsibilities under this bill based upon the following principles:

That all feasible wishes of the next of kin of World War II dead will be complied with and that such kin will be given an opportunity to designate the final burial place.

Burial will be either in American cemeteries overseas, in national cemeteries in this country, or in private cemeteries in this country as designated by the next of kin of the men who died in this war.

Mr. CANNON. Off the record.

(Discussion off the record.)

Mr. CANNON. It is my understanding that there will be a fourth option. What is that?

General HORKAN. The fourth option is that the next of kin can ask that the bodies overseas be sent to a private cemetery overseas. If,

for example, their forefathers or relatives lived in Italy and they wanted to have the body buried there, they will be granted this privilege.

Mr. CANNON. None of them will be left on the battlefield on which they fell?

General HORKAN. No sir; they will be gathered into permanent cemeteries overseas.

Now, the first principle on which the plans are based to carry out the wishes of Congress is that all World War II unknown dead—the unknown—will be returned for reburial in United States national cemeteries in this country.

Now, the other principles on which they are based are that a permanent American military cemetery, or cemeteries, will be established and maintained overseas; that this Government will assume all costs incident to burials in United States national cemeteries, burial in American cemeteries overseas, or burial in local cemeteries abroad.

CONTRIBUTION FOR LOCAL INTERMENT

For the delivery of remains to the next of kin for interment in private cemeteries in this country the Government will pay \$50 toward defraying expenses of local interment.

Mr. CANNON. They will deliver them to the point of interment and pay an additional \$50?

General HORKAN. That is right. In other words, they will go from a distribution point to the home of the next of kin. We will deliver them to the next of kin and pay the next of kin \$50 to cover, for instance, the expense of opening the grave, the hearse expense, and various things of that kind.

Mr. CANNON. In addition, if requested, you will supply a stone?

General HORKAN. At a later date we will supply a headstone.

Mr. CANNON. Will there be any other allowances?

General HORKAN. These are the only allowances provided by law at this time.

Mr. CANNON. Do you supply a flag?

General HORKAN. We will furnish a flag, and the body will be escorted by a military escort to the family. Firing squads will be furnished at the family's request.

COORDINATION WITH OTHER SERVICES

The principles I have outlined have been coordinated and approved by the Navy, the Marine Corps, the Coast Guard, the War Shipping Administration, the Red Cross, the American Field Service, the United States Compensation Commission, and the Air Corps Ferrying Command, because the Quartermaster Corps has the responsibility for care of all World War dead, outlined in Public Law 383.

Under the present plans, the remains will be brought back to the United States through the port of New York and the port of San Francisco. They will be transported in modified Liberty ships, carrying approximately 6,500 bodies each.

DIFFICULT TO ESTIMATE NUMBER OF BODIES

Mr. CANNON. What is the total number of bodies estimated to be returned?

General HORKAN. It is very difficult to make an estimate of the number of bodies to be returned until we have contacted the next of kin.

Mr. CANNON. You have your experience of World War I.

General HORKAN. It was 61 percent after World War I. We think that would probably be a fair basis of estimate for the number to be returned this time.

Mr. CANNON. Sixty percent would be what number for this war?

General HORKAN. We have 275,000 available for return to the United States. Sixty percent of that would run about 165,000.

Mr. CANNON. They will be returned, I suppose, at intervals. There will be no attempt to bring them back simultaneously?

General HORKAN. They cannot be brought back simultaneously because of geographical locations, weather conditions, and things like that. In Alaska you can work only a couple of months during the year. The same is true of India and Burma. There is a rainy season there, and the situation has been phased so we can get the bodies out of the European theater and Hawaii during the first phases.

SPECIAL ROLLING STOCK TO BE PROVIDED

The Transportation Corps will provide especially adapted rolling stock for the transportation of bodies from the ports of embarkation in the United States eastward and westward to 15 distribution points throughout the country. In other words, they will go by train from New York and San Francisco to these distribution points and then be segregated for individual shipment to the families.

OPTIONS OFFERED NEXT OF KIN

Now, the poll of the next of kin of the dead will be made through a letter of transmittal. In other words, we will send out letters to the next of kin with a return form giving the families the option of designating any one of the four options outlined, namely, leaving them overseas in American cemeteries, bringing them back to this country, for burial in national cemeteries, for delivery to them for burial in their own private cemeteries, or burial in a private cemetery overseas.

That, in general, is the plan to carry out this repatriation program.

MAJORITY FAVOR RETURN

Colonel ILLIG. In this respect, I would like to state this estimate is more or less predicated on the poll returns indicating a majority both in favor of returning to the homeland of these personnel covered under Public Law 383, and also fund availability to cover the operation to be carried on without interruption until completed.

In this connection, the period covering these projects varies according to the probable time necessary for the completion of the entire project, or the time estimated to be required for operation in specific localities. Generally the period covers 2 years, however, we have shortened that period, or have considered the period only through April 1, 1947, for the purpose of expressing our needs at this time.

COST DATA FROM PRESENT EUROPEAN CEMETERIES

Now, in considering this cost, in order to be on as firm a basis as possible, we have made an analysis of certain cost experience in the initial construction, including the monuments, and so on, of the eight permanent American cemeteries in Europe, cost data incident to the maintenance and operation of the national cemeteries in the United States; funds expended to cover the pilgrimages of approximately 6,674 Gold Star Mothers representing 22 percent of all those eligible, to European battlefields after World War I, and finally, the cost data reflected in this 2-year program as we originally set it up; that is, the over-all program for the return to the homeland of certain deceased persons, as authorized by Public Law 383.

COST ABOUT SAME IF BODIES RETURNED

We considered, in relating certain experience to these cost data, plan 1, the cost of returning 60 percent of those interred to the United States; plan 2, the cost of returning 100 percent, and plan 3, considering all deceased would remain on foreign battlefields or in American cemeteries overseas.

As a result of this analysis, we have found that the cost to the United States Government, with consideration given to the possibility of future congressional activity of authorizing pilgrimages of war mothers to battlefields, would be approximately the same in each case.

I shall be glad to insert a tabulation of this cost in the record.

(The matter referred to follows:)

Comparison of costs of 3 possible plans for return of World War II dead to the United States

Plan I—Return of 60 percent of remains to United States:

Cost of return, 165,000×\$675	\$111, 375, 000
Allowance for funeral expenses at home 165,000×\$50	8, 250, 000
Maintenance of graves 26,400 (16 percent)×\$1.92	50, 688
Concentration of 40 percent in permanent cemeteries overseas 110,000×\$300	33, 000, 000
Maintenance of graves overseas 110,000×\$3	330, 000
Cemetery construction overseas 110,000×\$158.20	17, 402, 000
Pilgrimage of mothers (22 percent of 110,000) 24,200×\$1,200	29, 040, 000

Total, plan I 199, 447, 688

Plan II—Return of all remains to United States:

Cost of return, 275,000×\$675	185, 625, 000
Allowance for funeral expenses at home, 275,000×\$50	13, 750, 000
Maintenance of graves, 44,000 (16 percent)×\$1.92	84, 480

Total, plan II 199, 459, 480

Plan III—Return of none of the remains to United States:

Concentration in permanent cemeteries, 275,000×\$300	82, 500, 000
Cemetery construction overseas, 275,000×\$158.20	43, 505, 000
Maintenance of graves, 275,000×\$3	825, 000
Pilgrimage of mothers (22 percent of 275,000), 60,500×\$1,200	72, 600, 000

Total, plan III 199, 430, 000

Mr. CANNON. What percentage of Gold Star Mothers made the pilgrimage in World War I?

Colonel ILLIG. Twenty-two percent of those eligible.

Mr. CANNON. That would amount to how many in this war?

Colonel ILLIG. About 60,500.

JUSTIFICATION OF THE ESTIMATES

Mr. CANNON. We will insert in the record at this point page 2 of the justification which has a very complete break-down on the subject. (The tabulation referred to is as follows:)

Summary of projects

Purpose	Project No.	Amount
Supplies and equipment, procurement of.....	101	\$41,645,127
Acquisition of real estate.....	202	471,977
Maintenance and repair of buildings and utilities.....	301	1,399,890
Personal services.....	401	18,150,850
Travel.....	402	5,144,531
Transportation of remains.....	403	8,819,996
Transportation of supplies.....	404	2,647,795
Communication services.....	405	247,316
Contractual printing services.....	406	58,125
Miscellaneous services for operation of installations and facilities.....	407	8,776,407
Burial expenses.....	408	3,654,253
Departmental overhead.....	701	1,483,733
Total estimate.....		92,500,000

OVER-ALL COST OF PROGRAM

Mr. CANNON. What total appropriation do you have in mind as necessary to make in order to take care of this item apart from the continuing expense after interments have been made both here and abroad, excluding continuing costs after interments? What do you estimate to be the total amount required?

Colonel ILLIG. Do you mean the additional amount that will be required to complete this project pursuant to the act, sir?

Mr. CANNON. Yes.

Colonel ILLIG. We estimate that provided necessary supplies can be secured from surplus sources, it will cost an over-all amount of \$180,725,045. If such surplus supplies are not available, we considered our over-all program to amount to \$199,725,049.

Mr. CANNON. In addition, you expect to draw on Army supplies and equipment?

Colonel ILLIG. In the amount of approximately \$19,000,000; yes; in addition to the \$180,725,045.

Mr. CANNON. And, according to your estimate just now, you are utilizing your World War I statistics in order to reach a basis of estimate on World War II?

PLANNING ASSUMPTIONS USED

Colonel ILLIG. Yes. I might say in preparing this estimate we were somewhat handicapped by experience factors. This operation will be considerably different from that undertaken subsequent to World War I. Several assumptions, logical assumptions, were necessary for planning purposes. However, this estimate does reflect the

views of both the military and the civilian experts in the office of the Quartermaster General who have been engaged in planning this project. Where appropriate we have attempted to relate recognized factors affecting the current death program with those reflected in this estimate. However, in the absence of known factors, an analysis was made of data submitted by overseas theater commanders with the result that we were able to relate these data to other areas in proportion to the size and number of deceased persons so that in general we feel that we are on rather a firm basis in preparing this estimate.

Mr. CANNON. Of course, it is a tremendous undertaking, and we want the work done adequately and efficiently. I realize the figures you have given us here are purely an estimate, and it is rather difficult for you, even with your experience in World War I, to say definitely just what the expense will be, but we expect you to hold all expenditures down to a reasonable level and to utilize existing personnel.

General HORKAN. Yes.

Mr. CANNON. I take it for granted that is the policy.

General HORKAN. Yes.

Mr. CANNON. First, the program is going to call for the employment of people of different skills and capacities. Just to what extent do you expect to expand your office here in Washington?

Colonel ILLIG. We contemplate, sir, it will be necessary to carry on the rolls approximately 643 persons.

Mr. CANNON. Some will be needed permanently and some temporarily. Of course, all of your field force, I take it, will be temporary.

General HORKAN. That is right. This is one activity we would like to speed up and finish.

Colonel ILLIG. That applies also to personnel that I mentioned who would be employed here in Washington.

Mr. CANNON. Your policy, then, will be to issue appointments for temporary employment?

Colonel ILLIG. That is correct; yes, sir.

PROCUREMENT OF CASKETS

Mr. CANNON. What is your plan with regard to the procurement of caskets? I note there have been some proposals to bid on this item. What is your plan and what has been done up to this time to be assured of getting adequate and appropriate materials at a reasonable cost?

General HORKAN. The bids have been let for the caskets. The question of materials for making the caskets has to be cleared by the CPA to get the steel and other materials.

Mr. CANNON. You say you have concluded the contracts?

Colonel ILLIG. No.

General HORKAN. The contracts have not been let. We have asked for bids.

Colonel ILLIG. General Horkan is making reference to bids received on the basis of \$3,000,000 that was approved as an emergency measure by the Congress approximately 1 month ago.

I might say immediately subsequent to the approval of Public Law 383 by both the House and the Senate, and in anticipation of this bill

becoming a public law Congress saw fit to make available to the Quartermaster General, or to the War Department, \$3,000,000 in order to get the casket procurement under way.

Mr. CANNON. Now, there will be an absolute standardization, as I understand; there will be no deviation of any kind; each unit will be exactly alike, will it?

Colonel ILLIG. That is correct; yes, sir.

Mr. CANNON. That is regardless of rank?

General HORKAN. Well, we are operating on the theory they are all absolutely equal, and everybody will be brought back in the same type casket. In other words, they were created equal and we feel they should be treated equal in death.

Mr. CANNON. In the democracy of death, there is no rank.

General HORKAN. Absolutely.

MOTOR VEHICLES REQUIRED

Mr. TABER. I notice you have set up an item here for 843 motor vehicles in your overseas equipment. Why do you need that money?

Colonel ILLIG. The actual program requires 3,843 motor vehicles.

Mr. TABER. That would anticipate that each vehicle would transport about 60 or 70 bodies all together. Now, that is not a very heavy tour of duty for a vehicle, I would not think, offhand. How do you get those requirements; on what are they based?

Colonel ILLIG. They were based on actual, established, tables of organization. Our planning people gave consideration to the location and the type of organization, the graves registration unit, and so forth, that would be necessary to operate in the locality, and, based on the transportation required for that organization and as reflected in the authorized table of organization, those figures are derived.

Perhaps Colonel Sechrest, who is the chief of our Planning Section, would like to elaborate on that a bit.

Colonel SECHREST. As a matter of fact, take, for instance, the European theater: We contemplate that the entire operation will be motor handled—at least 80 to 90 percent of it. For instance, in Normandy, the port they are going to use is Cherbourg. These trucks will transport the caskets to the cemeteries, and transport the casket and the remains back to the port. The personnel will have to be housed at some distance away from the cemeteries, due to the housing conditions, and they must be transported. Also, we must subsist our personnel.

Mr. TABER. Well, that won't be part of the automobile expense.

Colonel ILLIG. It will as far as transporting supplies is concerned. In other words, we expect to get over 3,000 vehicles from Government surplus military stocks and, if necessary, to purchase during the entire period of the program, when necessary, approximately 843 vehicles; but we are scanning all of the surplus lists today and are sending out notices to the theater commanders to reserve excess transportation equipment for utilization in this program, in order to reduce to the maximum extent the necessity for undertaking new procurement.

SPECIAL EQUIPMENT REQUIRED

Mr. TABER. Why would you need 6,600 items of heavy equipment, trailers, and that sort of thing, refrigerating units, and so forth?

Colonel SECHREST. Included in that item is all of the equipment for handling the caskets and the remains, through the morgues, at the ports, not only overseas ports, but also the two United States ports, where they are received, and the 15 distribution points. That particular item also includes the item of conveyors, which is quite a material part of the aggregate total.

PERSONNEL REQUIRED

Mr. WIGGLESWORTH. As I understand your break-down here, under personal services you want almost 9,200 people. That is in addition to your departmental overhead, in which somebody told us you wanted about 643.

Colonel ILLIG. Yes, sir. Separate provision is made in this estimate for personnel to be employed at the seat of government and personnel to be employed overseas and in the United States both at distribution centers and at ports of embarkation.

Mr. WIGGLESWORTH. Why do you need 9,000 personnel overseas to handle the remains of 155,000 soldiers?

Colonel ILLIG. It is actually 275,000, sir.

Mr. WIGGLESWORTH. I thought you told us it was 61 percent of 253,000.

Colonel ILLIG. That was the study excluding those bodies not yet located. The 61 percent, I believe, was the percentage mentioned of those brought home during World War I.

Mr. WIGGLESWORTH. Yes. I thought that was the basis of your present estimate.

Colonel ILLIG. No, sir. As I pointed out, this estimate is actually predicated on the bringing home of all bodies; but, as I pointed out, whether we bring home all bodies or whether we bring home 60 percent of them, or whether we leave all of them over there and later authorize pilgrimages, the cost to the United States Government is going to be approximately the same. Here we have estimated we will bring home approximately 275,000 bodies.

Mr. WIGGLESWORTH. On the basis of World War I, we would be justified in reducing this estimate about 40 percent, would we not, until we see what develops in the light of your poll of the next of kin?

Colonel ILLIG. This estimate is actually predicated on bringing home somewhere between 80 and 90 percent.

Colonel SECHREST. The experience record at the present time, based on 112,000 letters received from next of kin, indicates only approximately 1 percent of them desire the remains to be permanently interred overseas.

Mr. DIRKSEN. One percent.

Colonel SECHREST. One percent, on the basis of the correspondence which we have received voluntarily. That is approximately 112,000 letters out of, we will say, some 300,000 casualties.

Mr. WIGGLESWORTH. Even so, have not you got a pretty big personnel overseas?

Colonel SECHREST. That total personnel, 7,455, is not only for returning the remains, but in addition is labor. We must beautify, improve, and maintain the cemeteries until the disinterment begins. Then temporary cemeteries must be established, seeded, top-dressed, and properly maintained for appearance at all times, pending the selection of permanent American cemetery sites.

USE OF TEMPORARY CEMETERIES

Mr. WIGGLESWORTH. Have not some of those cemeteries already been created over there?

Colonel SECHREST. Temporary military cemeteries only. On the basis of present reports, we have 356 temporary cemeteries scattered all over the world.

General HORKAN. After the bodies are brought back, they will then be concentrated into a fewer number of cemeteries over there, the exact number, of course, to be predicated on the number that will be left over there. We will bring those cemeteries up to the best condition we can, close them out as far as we are concerned, and turn them over to the Battle Monuments Commission, which has recently been re-created by Congress, and they will take over the establishment of those into finished, permanent cemeteries similar to the World War I cemeteries.

TIME FOR COMPLETION OF PROGRAM

Mr. WIGGLESWORTH. How long an over-all job is this to be?

Colonel ILLIG. Approximately 2 years.

General HORKAN. Congress has authorized in the bill 5 years, but we anticipate doing it within 2 years. We would like to finish it up, close it up, and get out of business.

Mr. DIRKSEN. General, how many bodies have been returned already?

General HORKAN. There have none been returned from the repatriated dead from this war. There is and there must be a distinction between repatriation of those men who died during the war and those who are dying currently overseas. Some of the latter will probably be returned at an early date.

Mr. DIRKSEN. Without being interred over there?

General HORKAN. That is right.

Colonel ILLIG. Provision is made for the cost of returning those bodies in the military appropriation, under incidental expenses of the Army.

Mr. DIRKSEN. I suppose your additional permanent cemeteries have not yet been selected?

General HORKAN. No, sir; and they cannot be permanently selected until after the bodies have been brought back. After we see how many are coming back we will know how many are going to be over there and how many cemeteries will be needed. At that time the permanent location can be established.

Mr. DIRKSEN. I presume those will be under the administration of the American Battle Monuments Commission?

General HORKAN. Eventually. We will work with the Battle Monuments Commission in the final location of those cemeteries overseas—we will work with them very closely and, after we have finished the repatriation, the bringing of the bodies back, the reintering of those left will be worked out with the Battle Monuments Commission, so that we do not do one thing and then have the Commission disinter and move them somewhere else.

SEGREGATION OF WORLD WAR II DEAD

Mr. DIRKSEN. Is it contemplated that World War I and World War II dead will be entirely segregated?

General HORKAN. Yes.

Mr. DIRKSEN. Or will they use the same cemeteries over there?

General HORKAN. No, sir; they will not use the cemeteries there of World War I dead. The reason is that the architectural entity is involved. Chapels have been built; grave plots have been laid out; lawns and landscaping—everything has been done—and now there is 20 years of growth on it. To come along now and use them for World War II dead would throw the thing out of balance from an architectural standpoint and a landscaping standpoint.

SURVEY OF WISHES OF NEXT OF KIN AT EARLY DATE

Mr. DIRKSEN. When is it proposed to survey the next of kin and determine their views in the matter?

General HORKAN. That will be done at a very early date, probably within the next 2 or 3 months.

Mr. DIRKSEN. About pilgrimages—that is also indefinite?

General HORKAN. That is not provided for in any of this legislation.

Mr. DIRKSEN. Nor is it definite that there will be any pilgrimages?

General HORKAN. No, sir. Of course, based on the precedents set in the last war—in the last war, we brought certain bodies back and you provided for pilgrimages for those whose dead were left over there, to go and see their graves. We think perhaps that precedent having been established, you gentlemen will probably be called upon to provide pilgrimages at a later date. However, that is not provided for in any funds we have set up here.

(After discussion off the record:)

Mr. CANNON. Thank you, gentlemen.

FRIDAY, MAY 25, 1946.

UNITED STATES SOLDIERS' HOME

STATEMENT OF GEN. H. K. LOUGHRY, GOVERNOR

CORRECTION OF FIRE HAZARDS

Mr. CANNON. General Loughry, we have an estimate here under the Civil Functions of the War Department for the expenses of the United States Soldiers' Home in the amount of \$50,000. I believe that we have previously provided \$1,215,600 for this purpose, plus \$54,768 made immediately available in the 1947 Civil War Appropriations Act. I see from the justifications, General Loughry, House Document No. 569, that this item is to remedy a fire hazard out at Soldiers' Home. What has happened that makes this necessary, that we must have a supplemental appropriation for this purpose?

General LOUGHRY. Well, while conditions are unchanged from what they have been in the past year, and I have been Governor for approximately 1 year, the question of fire hazards naturally came to my

attention. I found that prior to my arrival out there the engineers had made a survey, people from the Office of the Chief of Engineers, that called for alterations for the elimination of fire hazards in a much larger amount than this.

Prior to the visit of the Inspector General last fall, I took action to have certain fire escapes established, which seemed to be necessary to prevent hazards for several buildings. When the Inspector General made his inspection he made a recommendation. As stated in our justifications, we had the building inspector of the District of Columbia make an inspection at the home. He also recommended that certain action be taken. We sent his recommendations to the Office of the Chief of Engineers, where they were reviewed as to both necessity and cost, and then in order that we might give you an accurate figure, General Seaman, Quartermaster Corps, obtained tentative bids from civilian contractors.

Mr. CANNON. How long has this condition existed which impels you to request this appropriation?

General LOUGHRY. It has existed a long time.

Mr. CANNON. Why should it become so urgent all of a sudden? This is an urgent deficiency bill. We include in this bill only those things of an urgent nature. Why has this suddenly become of an urgent nature requiring immediate action?

General LOUGHRY. The Inspector General of the Army has recommended certain things be done to prevent fire hazards. We have had the District officials make an inspection, and they have recommended that some action be taken. As governor of the home, I am not in a position to take the responsibility in view of these recommendations of any catastrophe that might occur.

Mr. CANNON. Your 1947 appropriations have already gone through. I believe the bill which was recently passed carried \$1,596,248 for 1947. How much is set up in your 1947 funds for improvements?

General LOUGHRY. There are no funds in there for capital improvements.

Mr. CANNON. Do you anticipate any difficulty in having this work done by reason of the difficulty of procuring material and labor?

General LOUGHRY. May I ask General Seaman to reply to that question?

General SEAMAN. No, sir; we do not, because immediately upon receipt of the estimate from the Chief of Engineers, I advertised for bids divided into three parts. That is the work on the elevators themselves, the closing of the elevator shafts, the closing in of the machinery and the fire-alarm system.

As far as getting the material for the two contracts, the elevators and the materials for closing the machinery, there is no difficulty at all.

The lowest bidders have assured me that within 30 days of the time the bids were awarded, they would be able to start on the work and get all the material.

However, I have been unable, and so have the contractors been unable, to be assured that we can get the fire alarm itself at this time.

Mr. CANNON. As you well know, we have a very unstable situation throughout the country at this time as to material and labor. It is a rather inopportune time to make any capital changes which are not of

an emergency nature. Would it not be practicable for you, according to the 1947 program, to handle this work in 1947, and then if you have a deficit, come in here and ask for the amount that you need?

General LOUGHRY. All I can say is that the estimates for the maintenance of the home for 1947 were very carefully prepared and the funds earmarked for things that are essential.

Mr. CANNON. How much will the fire-alarm system require?

General SEAMAN. It will mean fire alarms in the buildings all over the grounds, and the low bid on the fire-alarm system was \$12,000.

General LOUGHRY. The District inspector recommended that a fire-alarm system be established.

General SEAMAN. That is correct.

Mr. TABER. General, when did the Inspector General look at this place?

General LOUGHRY. He made an inspection as of last October. His report was dated the 1st of November.

Mr. TABER. When did you go to the Budget with this?

General LOUGHRY. In April.

Mr. TABER. So it took you from the 1st of November to the 1st of April to go to the Budget? That is about 5 months. I wonder if that makes out an urgent case.

General LOUGHRY. In the first place, when I stated that the report of the Inspector General was dated November, it went to the Secretary of War. My recollection is that it was the latter part of December, nearly a month later. Having made a preliminary inspection, it was necessary for them to return some time after that. Is that correct?

General SEAMAN. Yes.

General LOUGHRY. They came back to make a further inspection. I am not trying to be precise about this, because I do not have the dates at hand. Then we wanted to come before this committee with as much data as we could gather, and we went ahead and sent the recommendations of the District inspector to the Office of the Chief of Engineers for an estimate of cost. Then there was a delay in getting tentative bids from the contractors of approximately 60 days.

Mr. WIGGLESWORTH. I understand \$12,000 of the \$50,000 requested is to go into the fire-alarm system.

General SEAMAN. Yes.

Mr. WIGGLESWORTH. How much is to go into the closing of the machinery?

General SEAMAN. The bid from the Otis Elevator Co., which was the low bid on the elimination of the fire hazard on the elevators, was \$19,565.

Mr. WIGGLESWORTH. That is what you referred to as closing the machinery?

General SEAMAN. That does not close the machinery or put in the fire walls.

The Davis, Wick & Rosengarten Co. was the low bidder on the rest, \$17,020, which makes a total of \$36,675.

Mr. WIGGLESWORTH. \$17,020 for closing the machinery?

General SEAMAN. Yes.

Mr. WIGGLESWORTH. How long has that been unclosed?

General SEAMAN. I have been there for 5 years, and I know that it has been unclosed that long. The same conditions prevailed when I

got there, so I cannot give you any definite information on it. I suppose when the buildings were built.

Mr. WIGGLESWORTH. That is all.

PLANNING TO STAGE OF COMMENCING CONSTRUCTION OPERATIONS

Mr. CANNON. We have another item here in the amount of \$275,000, additional amount for planning to stage of commencing the construction operations. You have \$100,000 on hand which you expect to use in this project, which will make this additional appropriation total \$375,000 for your entire project.

I notice that this estimate is for preliminary costs incident to the construction at a later date of additional accommodations.

How will this money be used, and why is it here as an urgent deficiency item?

ADMINISTRATION OF SOLDIERS' HOME

General LOUGHRY. For the information of the committee, I would like to make a brief statement with reference to the administration of the Soldiers' Home, as well as to the justification for construction which you now have under consideration.

The general supervision and financial administration of the home has been placed by Congress in a Board of Commissioners composed of the following officers of the Army:

The Adjutant General, the Judge Advocate General, the Quartermaster General, the Surgeon General, the Chief of Engineers, the Chief of Finance, and the Governor of the home. The regulations which the Board of Commissioners establishes for the Governor of the home receives the approval of the Secretary of War. The appropriations for the maintenance and operation of the establishment are made from the Soldiers' Home funds, which is a trust fund.

It is derived from monthly deductions from the pay of enlisted men on the active list of the Regular Army, and from fines and forfeitures adjudged against such personnel by courts martial.

The Congress has fixed a limit on the monthly deduction of 25 cents, the exact sum to be deducted to be fixed by the Secretary of War. The deduction varies from time to time and has been fixed at 10 cents per month since about January 1943.

The permanent fund is now slightly in excess of \$15,000,000. Consequently, all appropriations for the support and maintenance of the Soldiers' Home are made from the trust fund and not from the public Treasury, which you, of course, understand.

As to eligibility, only former soldiers who have had some service in the Regular Army are eligible for membership in the home.

Eligibility falls into three classes:

First, a soldier who has served honorably and faithfully in the Army of the United States for 20 years or more, who has had some service as an enlisted man in the Regular Army.

Secondly, those who had some service in the Regular Army, who have been rendered incapable of earning their own living by reason of wounds or disability incurred in the service.

Thirdly, those who have had some service in the Regular Army and who have contributed to the support of the home and are unable to earn their own living by reason of sickness, old age, or other disabilities.

I thought that I might refresh your minds by making that very brief statement.

CONSTRUCTION PROGRAM FOR ENLARGEMENT AND MODERNIZATION OF HOME

A construction program for the enlargement and modernization of the Soldiers' Home has been under consideration by the Board of Commissioners since the fiscal year 1944. The Congress has previously appropriated \$100,000 for planning purposes. We have asked for \$375,000 and \$100,000 has already been appropriated, but has not been expended.

The Chief of Engineers has recently prepared a plan for the enlargement of existing capacity and for the modernization of certain existing utilities and facilities. The principal projects of this plan are as follows: (1) Quarters for 1,260 members, \$5,312,500; (2) a new hospital with a capacity of 264 beds and the rehabilitation of existing facilities, \$3,699,400; (3) utilities, \$1,457,900; (4) service facilities, \$212,000; (5) site adjustment, \$125,000, making a total of \$10,806,800.

The funds requested in the current estimates will be largely employed for architectural and engineering planning for the new quarters for members and for the hospital and expansion to meet conditions that may arise at the home. It is proposed to submit the estimates for actual construction when these plans have been completed.

It will perhaps take the Chief of Engineers the better part of 6 months, assuming this money is appropriated, to prepare the plans and specifications, and then we presumably would come before this committee in January and ask for the actual funds for construction.

The reasons for the proposed augmentation in the capacity of the home are set forth in the justifications and, with your permission—they are brief—I would like to read them and perhaps emphasize certain things.

Mr. CANNON. You may proceed.

General LOUGHRY. As I have stated in my previous remarks, this plan has been under consideration since 1944. It has been discussed by my predecessors with the Military Subcommittee in general conversation, and they have known what is going on and reacted favorably to it and, of course, that is indicated by the fact they have made the appropriation for planning purposes.

I might say at the present time, so far as our capacity is concerned, we have a barracks capacity of approximately 1,075 and a hospital capacity of 325, or a capacity for 1,400 members in all.

Mr. CANNON. How many?

General LOUGHRY. 1,400 in all; in other words, 1,075 in the barracks and 325 in the hospital, totaling 1,400 members, approximately. We also have capacity and have employed out there approximately 250 civilians.

The proposed new building for members will be in addition to present structures—that may be misleading; it should be “together with the present structures—provide housing for 2,335 members and 125 additional civilians exclusive of a hospital capacity of 500, or a total member capacity of 2,835. I might say there that generally there is in the hospital from 20 to 25 percent of all members of the home.

MEMBERSHIP OF THE HOME

The total membership of the home was on July 1, 1944, 1,193; July 1, 1945, 1,272; and May 1, 1946, 1,469. These figures show an increase of 79 during the fiscal year 1945, and 197 during the first 10 months of the current fiscal year. For the latter period the increase has been approximately 20 per month. If the increase continues at the present rate, we shall have a total membership of 1,869 on January 1, 1948, and 2,109 on January 1, 1949. At the present time, there are 37 vacant membership beds in the home. In other words, we are up against the roof right now, and if we do not get additional housing we are going to be in a position very shortly where we are going to have to turn applicants for membership away out there.

The figures presented above show the anticipated membership in the years 1948 and 1949. However there is no assurance that this rate of increase may not be exceeded in future months. The plan visualizes the necessity for taking care of further increases in subsequent years. The recent augmentation in membership is attributed in considerable measure to Public 190, 79th Congress (approved Oct. 6, 1945), which provides that enlisted men may be retired after 20 years' service. The proposed new building, in the opinion of the Chief of Engineers, represents the capacity which will be most economical in construction costs. If conditions, subsequent to new construction should permit, two old barracks (the King and Sheridan Buildings) will be razed with a consequent decrease in the foregoing capacity of 382. These buildings were erected in 1872 and 1883, respectively. They are antiquated and costly from a maintenance standpoint.

And I might say, while these are the oldest buildings and in the worst condition—

TYPE OF BUILDINGS TO BE REPLACED

Mr. CANNON. Are they frame or brick?

General LOUGHRY. They are brick—in the other buildings we now have men housed in basements where it is not proper to have men housed. It would be desirable, if we get this new building, to raze these two buildings I referred to; to take men out of the basements of the present structures or other rooms where they are too confined and put them in the new building. The general comprehensive plan prepared by the Office of Chief of Engineers visualized the replacement of all structures at the home, in view of the fact they are all old, obsolete, and are expensive to maintain; but my immediate problem, in which I am concerned, is augmenting the capacity of the home. If the situation would permit, after we get this new building, which will have a capacity of 1,260 members, then consideration would be given to razing these two oldest buildings and which are in the worst condition, with a capacity of 382, but I would not go beyond that certainly at this time.

This plan the Chief of Engineers has prepared is a comprehensive plan. It was prepared during last summer and fall and is the first time, if I may say so, that a long-range program has been prepared for the home. It can be added to. There is nothing in this construction that cannot be used in any further augmentation that may

be necessary, and these figures, I think, indicate that we are not going too far in building a new building or a new barracks with a capacity of 1,260. That will give us a capacity of 2,835. If we have 2,100 men in the home, as is predicted, as of January 1, 1949, 500 of those beds, based on 20 to 25 percent of the total membership being in the hospital, would leave a capacity of 2,335. Then if we deduct from that 382, which is the capacity of the King and Sheridan Buildings that might be razed, the capacity of the home will not be greatly in excess of the actual predicted membership at that time. We cannot tell what is going to happen thereafter. In other words, there is no point in building something and then coming back here a year or two later and asking for funds to build additions, and that capacity, in my opinion, would be good for perhaps 5 or 10 years.

A majority of the existing utilities and service facilities have been in operation for many years, are obsolete and subject to service interruptions and excessive maintenance and are not adequate for continued operation to serve the anticipated population. And, as I pointed out and as the Chief of Engineers has stated, it is not only a case of augmentation, but it is a case of requirement to give better housing to men who are actually at the Soldiers' Home now.

The sum of \$375,000 is considered to be the absolute minimum required to provide for qualified professional services and engineering overhead in the accomplishment of the planning objective, complete in all respects preparatory to the initiation of construction operations. In fact, to accomplish the work required within this estimate, it will be necessary to cut all corners. The sum of \$45,000 (appropriated for planning purposes in fiscal year 1945), which has already been transmitted to the office of the Chief of Engineers, together with the amount of \$55,000, included in the 1947 Budget for the same purpose, a total of \$100,000, should be considered as available in connection with the present estimates. This estimate has, accordingly, been reduced to \$275,000.

The Military Subcommittee of the House Appropriations Committee in various hearings and appropriations made for planning purposes has indicated its approval of the projects for the augmentation and rehabilitation of the United States Soldiers' Home.

I have endeavored to present to the committee the reasons why it is urgently necessary to augment the capacity of the home. We are within 37 of capacity now and, before this construction is finished, in all probability we are going to have to deny applicants membership in the Home. So far as this immediate estimate is concerned, Lieutenant Colonel Poorman, assistant from the Office of the Chief of Engineers, is here.

CAPACITY OF HOME

Mr. CANNON. You have accommodations out there for 1,075 domiciliary members and 325 hospitalized members; is that right?

General LOUGHRY. That is correct.

Mr. CANNON. That is a total of 1,400?

General LOUGHRY. That is a total of 1,400.

Mr. CANNON. That is, you have room for 1,400 members out there?

General LOUGHRY. Yes, sir.

EXTENT OF OCCUPANCY OF HOME

Mr. CANNON. You still have 37 unoccupied beds in your hospital, and how many unoccupied units are there out of this 1,075 domiciliary capacity?

General LOUGHRY. With reference to the 37 unoccupied beds, there are 28 in the barracks and 9 in the hospital.

Mr. CANNON. You gave it to us as 37 unoccupied beds out of 325 beds.

General LOUGHRY. At the present time there are 28 vacant membership beds in the Home.

Mr. CANNON. That is beds; now, how many domiciliary units are vacant?

General LOUGHRY. That 37 vacant beds includes 9 in the hospital; in the hospital with a capacity of 325, the last morning report showed 316 members.

Mr. CANNON. Out of that capacity of 1,075 domiciliary units, how many actual domiciliary members do you have?

General LOUGHRY. There are 38 vacant beds.

Mr. CANNON. And how many hospital beds are vacant?

General LOUGHRY. Approximately nine. That is based on the last morning report.

Mr. CANNON. Approximately nine?

General LOUGHRY. Well, the capacity is 325 and there are approximately 316 patients there at the present time. Does that answer your question?

Mr. CANNON. That would leave nine.

General LOUGHRY. That would leave nine.

Mr. CANNON. Is this your peak population; have you ever had more?

General LOUGHRY. Not to my knowledge. I have looked at the figures over the last several years and prior to the war the membership, I think, approximated something close to what it is now. During the war some members went out and took jobs and some re-enlisted. In the fiscal year 1945 we increased the membership by 100, and in the first 10 months of this year it has increased at the rate of 20 a month.

Mr. CANNON. You have never denied admission because of lack of accommodations?

General LOUGHRY. To the best of my judgment; no.

INCREASE IN POPULATION

Mr. CANNON. There has been a rather remarkable increase out there. You ran from 1,193 year before last up to 1,272 last year and 1,469 this year. How do you account for this rather striking increase? Of course, these are all veterans of wars antedating the First World War; no one in the First or Second World Wars can qualify, I believe?

General LOUGHRY. We have members from both World War I and II.

Mr. TABER. It is only Regular Army members who can qualify; is it not?

General LOUGHRY. That is right—Regular Army members only.

Mr. TABER. Rather than Reserves?

General LOUGHRY. No one is eligible for membership at the Soldiers Home who has not had some service in the Regular Army.

Mr. CANNON. So anyone out there from World War II must have been in the Regular Army prior to the opening of the war?

General LOUGHRY. In the majority of cases that is correct.

Mr. CANNON. How do you account for this increase of nearly 300 people in the last 3 years? Are those who left to get jobs now coming back?

General LOUGHRY. A great many of those are coming back.

Mr. CANNON. They are returns, then?

General LOUGHRY. They are readmittants. And as I stated in the justifications, I think the law that Congress passed last fall which makes enlisted men eligible for retirement after 20 years' service has also been responsible in considerable measure for the augmentation. They take retirement at 20 years and come out to the home.

Mr. CANNON. Well, as of today, you have a capacity out there including domiciliary and hospitalized and civilians of 2,835?

General LOUGHRY. No. That would be the capacity if this construction program were approved.

Mr. CANNON. What is your total for members and civilians at this time?

General LOUGHRY. 1,400 for members plus 250 for civilians.

Mr. CANNON. That would be 1,650.

General LOUGHRY. That is correct.

Mr. CANNON. I thought you said you had out there now, all told, 2,109, including civilians.

General LOUGHRY. No; that was the prediction at the present rate of increase.

Mr. CANNON. When this project is completed, then, and all of the construction is available, you will have a capacity of 2,835, and you expect to have 2,109 occupants; is that right?

General LOUGHRY. We would have 2,835 including the 500-bed hospital that we proposed to add.

Mr. CANNON. Yes; and, considering that, you expect 2,109 occupants?

General LOUGHRY. 2,109 is the best prediction I can make. And if we then had a total capacity of 2,835, of which 500 would be in the hospital, so far as the barracks are concerned, or the domiciliary part of the home is concerned, we would have 2,335. And if the situation permitted and we razed the King and Sheridan Buildings, that capacity would be reduced by 382 to 1,953.

Mr. CANNON. Now, you told us your objective was 2,835 capacity and you anticipated, to occupy that space, 2,109 individuals. In other words, you expect a margin of 726 units; you will have 726 units for which you have no occupants, according to your present estimate?

General LOUGHRY. The difference between 2,109 and 2,835.

Mr. CANNON. That is right, or 726.

General LOUGHRY. And, as I said, if the King and Sheridan Buildings were razed, that 2,835 would be reduced by 382.

NEED FOR REBUILDING OF HOME

Mr. CANNON. Now, you say in your opinion the buildings out there all ought to be razed and rebuilt?

General LOUGHRY. I said that was an opinion that has been advanced.

Mr. CANNON. You think you ought to make a clean sweep out there and rebuild everything?

General LOUGHRY. That was their recommendation.

Mr. CANNON. What would be your recommendation as to the suggestion that is frequently made now that the home should be moved from its present location? If you are going to tear down everything and rebuild it, what about rebuilding it on some other site that would be better adapted to the purpose?

General LOUGHRY. In the first place, that was a recommendation in which I do not concur. I think we might raze those two buildings, but I would retain the others.

CONDITION OF TITLE OF LAND TO SOLDIERS' HOME

As to moving this home elsewhere, as you know, it was established in 1851 by act of Congress. Since that time, so far as the area is concerned, there have been two grants of land out there; one from the Corcoran estate and one from the Wood estate, and in that transfer of title there was the provision that that land should belong to the Soldiers' Home in fee, and so forth, for their use and no other use, forever.

Mr. CANNON. In perpetuity?

General LOUGHRY. Such things as that have got to be considered in connection with it.

Mr. CANNON. Is the title contingent on its occupation as a soldiers' home, or is there a provision in the event of its use for another purpose it shall revert to the original ownership?

General LOUGHRY. The site of the home was acquired under a provision in the act of 1851 which authorized the board of commissioners of the home, by and with the approval of the President, to procure for immediate use a site or sites for a home. A substantial portion of the site was acquired in 1872, first, by a conveyance executed by William Corcoran which stated that the lands were to be held by the United States in trust for the uses and purposes of the institution known as Soldiers' Home established by act of Congress and the assigns thereof for their sole use, benefit, and behoof, forever.

Mr. CANNON. To the assigns—then would they have a right to alienate it if they wanted to without reversion to the grantors or their heirs or assigns?

General LOUGHRY. I am not endeavoring to interpret it.

Another deed from Elizabeth Wood in 1871 conveyed a portion of the home grounds to the United States with a contingent abandonment clause requiring that the land so conveyed is to be held in trust nevertheless for the sole use, benefit, and behoof of the commissioners of the Soldiers' Home, and for no other use or purpose whatsoever.

Mr. WIGGLESWORTH. What is the value of the plant there now?

General LOUGHRY. We have about 500 acres out there. I have heard it has been assessed at \$10,000 an acre, which would make the value of the land approximately \$5,000,000.

Mr. WIGGLESWORTH. How much do you have in buildings?

General LOUGHRY. I cannot answer that question.

Mr. WIGGLESWORTH. Will you furnish something for the record when you revise your remarks?

General LOUGHRY. Approximately \$5,000,000.

Mr. WIGGLESWORTH. I understand this proposed plan means an outlay of something over \$10,000,000; is that right?

General LOUGHRY. That is right.

QUALIFICATIONS FOR ADMISSION TO HOME

Mr. WIGGLESWORTH. What are the qualifications for admission to the home?

General LOUGHRY. I previously stated them. Eligibility for membership falls into three categories: Those members who have served in the Army of the United States for 20 years, part of which service was in the Regular Army.

Mr. WIGGLESWORTH. They must have served for 20 years?

General LOUGHRY. That is right.

Mr. WIGGLESWORTH. And part of it in the Regular Army?

General LOUGHRY. Part of it in the Regular Army. Those who have served in the Regular Army and who become disqualified to earn their own living because of wounds or other disabilities incurred in service.

Mr. WIGGLESWORTH. That is, there must be 20 years' service in the Regular Army and service-connected disability.

General LOUGHRY. There are three categories: First, exclusive of disability, they have to have 20 years' service and part of that 20 years must have been served in the Regular Army; secondly, those who have served in the Regular Army and have become unable to earn their own living because of a service-connected disability.

Mr. WIGGLESWORTH. Regardless of the duration of their service?

General LOUGHRY. That is right. Third, those who have served some time in the Regular Army who have contributed to the support of the home and who have become unable to earn their own living because of sickness, old age, or disability that may not be connected directly with service.

Mr. WIGGLESWORTH. Non-service-connected disability plus contribution, and some service in the Regular Army?

General LOUGHRY. That is right.

Mr. WIGGLESWORTH. This \$275,000 is wholly for the purpose of preparing plans and specifications for this proposed \$10,000,000 expansion?

General LOUGHRY. That is right.

Mr. WIGGLESWORTH. If we decide to go ahead, would Congress put up the \$10,000,000?

General LOUGHRY. We would ask you to authorize use of our trust fund for construction purposes, but not necessarily in that precise amount.

Mr. WIGGLESWORTH. The whole cost would fall on Uncle Sam, in other words?

General LOUGHRY. No. The entire cost comes out of the trust fund of the Soldiers' Home. As I stated before, it is over \$15,000,000, and was taken from the pay of soldiers. In other words, Congress has passed a law that the Secretary of War could fix the deduction from the enlisted men on the active list of the Regular Army at not to exceed 25 cents a month. And I think it is proper to emphasize the statement I made that the money for these estimates that are immediately before you and the money for the new construction that

is contemplated will all come from the trust fund and not from the Public Treasury.

The home has been supported from contributions of the members, having reference to the enlisted men of the Regular Army, and fines and forfeitures against them, practically since the existence of the home.

Mr. CANNON. Now, coming back to the estimate here of \$275,000, when does the estimate contemplate completion of all measures preparatory to actual construction?

General LOUGHRY. I will answer that as best I can and I think accurately enough for your purposes. It is the belief of the Office of Chief of Engineers to whom I have talked that if this money were made available to them for planning purposes by the end of this fiscal year, or the first of the next fiscal year, they could complete these plans by next January.

COST OF PLANS AND ACTUAL CONSTRUCTION COSTS

Mr. CANNON. And you are planning to spend this \$275,000 here and the \$100,000 which you already have on hand in this preparatory work. Will it take all of this \$375,000?

General LOUGHRY. It will largely go to architectural fees.

Mr. CANNON. Have you had an estimate at the present time as to the construction cost and the collateral costs after your plans are completed?

General LOUGHRY. Approximately \$11,000,000.

Mr. CANNON. How much do you estimate to be the cost of construction? This \$375,000 is merely for completion of plans preparatory to construction.

General LOUGHRY. That is right.

Mr. CANNON. How much do you estimate the construction will cost—construction of buildings and all collateral items, such as the supplementary work outside and furnishings inside?

General LOUGHRY. The new quarters for 1,260 members will cost something over \$5,000,000, and the new hospital will cost about \$3,500,000. In other words, the construction proper, if you want to consider it that way and could and should, would be about \$9,000,000.

Mr. CANNON. After you consume this \$375,000, then you will need about \$9,000,000 additional for construction?

General LOUGHRY. No; we estimate \$9,000,000 for the construction of the new barracks and hospital, and we estimate \$1,457,900 for utilities. I am a layman; but I do not think any money, or at least a minimum amount of money, will be employed for planning purposes in connection with the modernization of utilities and there are certain service facilities for which plans have already been made. So that we have a total project here of approximately \$10,800,000, of which \$9,000,000 is for construction proper for the planning of which this \$375,000 will largely be employed, and then we have a remaining \$1,800,000, approximately, for utilities, service facilities, and so forth.

Mr. CANNON. Now, let us get this straight. You expect to spend in preliminary planning and preparation \$375,000 that you are asking for here?

General LOUGHRY. That is right.

Mr. CANNON. Then, after that is expended, you expect to ask for a total of approximately \$10,800,000 for construction and utilities?

General LOUGHRY. To be exact, that will be \$10,425,000, or something like that. In other words, from the \$10,800,000 would be deducted the \$375,000 which we are asking you to provide at this time.

Mr. CANNON. This contemplates, then, just the beginning, and contemplates an additional expenditure of practically \$10,500,000?

General LOUGHRY. That is correct, roughly speaking.

QUALIFICATION FOR ADMISSION TO HOME

Mr. CANNON. Now, your members may be veterans of any war, just so they have the required Army service, and those who come to you have the alternative of accommodation in the Soldiers' Home or Veterans' Administration provisions; they have that alternative do they not?

General LOUGHRY. I think I would make one distinction in that. As a result of the law which Congress passed last fall, a member of the Regular Army is entitled to retire on 20 years' service, and he is also eligible to membership in the home after he has had 20 years' service. So he could qualify on his 20 years' service to come into the home, irrespective of whether he had served in any war, and presumably would not be eligible for membership in a veterans' hospital or a domiciliary home.

Mr. CANNON. But you do have many who could avail themselves either of your facilities or the facilities of the Veterans' Administration. Now, what percentage of your population, would you say, have that dual eligibility?

General LOUGHRY. I could not answer that question off-hand.

Mr. CANNON. It would be rather considerable, would it not?

General LOUGHRY. I cannot say. I think it is proper to point out, however, that this home has been built and it is being maintained by the money of these members who may have contributed to this fund throughout the years. It is their property and this money has been deducted from them and they have been told that they have a Soldiers' Home that they can occupy after they have been retired from the Army.

Mr. CANNON. But you are asking this \$375,000 now and expect to come back later and ask for \$10,500,000?

General LOUGHRY. That is right—all of which comes from the trust fund of the United States Soldiers' Home.

ADVISABILITY OF CONSTRUCTION AT THIS TIME

Mr. CANNON. Now, this is the most inopportune time in the last 150 years to start construction, especially construction of this magnitude and this nature. Certainly everything should be deferred at present that can be deferred. Of course, if somebody is going to suffer, that is a different thing; but you say you never have at any time turned away anybody who was eligible and you unquestionably have a number out there who, if they cannot find room in your home, can avail themselves of the facilities of the Veterans' Administration; so nobody need suffer.

Why not defer this for the present until conditions ease up a little bit in the construction market for veterans' housing and that sort of thing?

General LOUGHRY. I do think those men have a right to come to the Soldiers' Home and not be placed in domiciliary homes of the Veterans' Administration. They have paid for this right and we are at the point now where we very soon are going to have to refuse applicants who wish to come to the Home.

Mr. CANNON. That is merely a surmise; you have never had it happen in all history.

General LOUGHRY. We have 37 vacant beds out there and have received approximately 200 new members since the 1st of last July.

Mr. CANNON. And you say many of those are returns; many who left for some reason or another are coming back?

General LOUGHRY. Some of them; then, as I said, the law passed by Congress making men eligible to retire after 20 years' service has been considerably responsible for the augmentation. There are a number of factors.

Mr. CANNON. But there will be no need for anybody to suffer; if they could not find quarters with you, they could avail themselves of the facilities of the Veterans' Administration.

General LOUGHRY. Whether that is true or not, I cannot say.

(After discussion off the record:)

General LOUGHRY. We are taking care of these people out of our own money, out of money they contributed; whereas, if you put them in the Veterans' Administration, then the money is going to come out of the Treasury.

Mr. CANNON. Are there any further questions, gentlemen?

Mr. TABER. The only thing to it with me is if those folks need this home, I would like to see them have it; but I kind of hesitate to get up plans for a home at a time when we know the costs are jumping so that they are absolutely out of control.

General LOUGHRY. I appreciate that. But I would like to emphasize again that this plan has been under consideration for 3 years and has received approval, if I may put it in a general way, at least the concept of the plan, by the Military Subcommittee, and we are at a point now where we cannot get away from the fact that at the present rate of augmentation and with the number of vacant beds we have, we are going to be turning people away soon that have put their money in during their lifetime to be members of the Home.

Mr. CANNON. If there are no further questions, thank you, General.

General LOUGHRY. Thank you.

FRIDAY, MAY 24, 1946.

TREASURY DEPARTMENT

BUREAU OF ACCOUNTS

STATEMENTS OF ROBERT MAXWELL, COMMISSIONER; PAUL BANNING, LIQUIDATION OFFICER; PAUL TRAVELSTEAD, ASSISTANT LIQUIDATION OFFICER; ROGER SMITH, BUDGET OFFICER; E. J. BRENNAN, CHIEF, DISBURSING OFFICER; A. L. PETERSON, ASSISTANT DISBURSING OFFICER

ACCELERATED TAX REFUND PROGRAM, 1946

Mr. CANNON. We have a proposal here relative to the Bureau of Accounts of the Treasury Department. I am in receipt of a letter from Secretary Vinson under date of May 21, 1946, which I will ask the clerk to read.

(The clerk read the following letter:)

TREASURY DEPARTMENT,
Washington, May 21, 1946.

HON. CLARENCE CANNON,
*Chairman, Committee on Appropriations,
House of Representatives,*

DEAR MR. CHAIRMAN: Reference is made to the Treasury-Post Office Departments appropriation bill for the fiscal year 1947 (H. R. 5452), now pending before the Senate Committee on Appropriations.

On page 6, line 2, of the bill, under the appropriation "Salaries and expenses, Division of Disbursement (Bureau of Accounts), Treasury Department," it is provided that not to exceed \$1,000,000 of the \$7,100,000 therein included for 1947 shall be immediately available. As explained to the Treasury Subcommittee on Appropriations, this provision was made necessary by an accelerated program of tax refunds which the Division of Disbursement has been called upon to handle prior to July 1, 1946.

The Division's appropriation for the fiscal year 1946 contemplated the issuance of about 6,000,000 checks in payment of 1945 tax refunds. However, in order that the entire program might be accelerated to place refunds in the hands of taxpayers at the earliest possible date, the Division of Disbursement was subsequently directed to expand its facilities and increase its production. As a result, instead of issuing only 6,000,000 1945 tax refund checks during the current fiscal year, as originally planned, the Division has thus far issued over 19,200,000 1945 refund checks, and expects to issue 9,800,000 additional before July 1. It was in contemplation of these accelerated refund disbursements that the Treasury sought to have \$1,000,000 of the Division's 1947 appropriation made available well in advance of July 1. The Department's accelerated program for paying income-tax refunds has resulted in savings in excess of \$10,000,000.

The Chief Disbursing Officer has now advised the department that the funds currently available to his Division are insufficient to permit the incurrence of any obligations beyond June 10, 1946, and that his Division will therefore require additional funds in the amount of \$825,000 to meet its estimated needs to June 30. For this reason, and since it appears unlikely that the Treasury-Post Office appropriation bill for 1947 will be finally enacted within the next few weeks, it is respectfully requested that the 1947 appropriation estimate for "Salaries and expenses, Division of Disbursement," be reduced from \$7,100,000 to \$6,275,000, and that a joint resolution be introduced, for approval before June 10, appropriating, for the fiscal year 1946, the sum of \$825,000 for "Salaries and expenses, Division of Disbursement," including the objects specified under this head in the Treasury Department Appropriation Act, 1946. In the same connection it will also be necessary, of course, to amend the language of the 1947 appropriation for the Division of Disbursement by deleting on page 6, lines 2 and 3, the words "of which not to exceed \$1,000,000 shall be available immediately."

A similar request has been addressed under this date to the chairman of the Senate Committee on Appropriations.

Very truly yours,

FRED M. VINSON,
Secretary of the Treasury.

Mr. CANNON. The Treasury-Post Office bill passed the House February 14, I believe, and has not yet been reported by the Senate committee to the Senate. Normally it would have become law a long time ago. The fact that it has not become law and that all this delay has ensued is unforeseen and unexpected, and accounts for the proposal which is before us today, as set forth in Secretary Vinson's letter.

It seems that you convinced our subcommittee on the Treasury-Post Office bill that \$1,000,000 of your 1947 funds should be made immediately available. It now develops that you do not need \$1,000,000 that soon; that you can get along with \$825,000; so this means is adopted of expediting the transaction.

However, I note that you do not ask here that the appropriation be reduced by \$1,000,000. You merely ask that this provision for immediate availability be rescinded. I am just a little puzzled about that. Will you tell us about that?

Mr. MAXWELL. There are two reasons, Mr. Chairman, why the other \$175,000 will be needed in 1947. Some of the 1945 tax refunds will be carried over into the next fiscal year. But the principal reason is that Mr. Brennan has had to withhold some of his purchases of equipment and his stock of supplies which will have to be replenished. Mr. Brennan is here and will be glad to give you the details.

Mr. CANNON. We are glad to hear Mr. Brennan.

Mr. BRENNAN. As a result of this situation, having very limited funds, I had to curtail normal purchases, and I am very close on my stock piling of supplies. We just had to buy in small lots and therefore we lost the advantage of discounts which we would get when we bought in reasonable amount. Also, our supplies have been reduced to a dangerous point and they must be replenished if we are to continue to meet this tax load and the increase in veterans' payments.

The \$825,000 will be urgently needed to take care of over \$700,000 for pay rolls alone. Due to this accelerated program, we have a very large number of additional employees to put on. We are working a night force of part-time employees, not to exceed 30 hours a week and we are getting some very excellent former typists who are married, and so forth. But the real reason for that is that I cannot get the supplies I have to have. I need the money to buy those supplies from time to time. We are very low on our envelopes, addressograph plates, and so forth.

Mr. TABER. What is the present status of your fund? First, how much was your appropriation?

Mr. PETERSON. \$6,775,900. In addition we had transfers amounting to \$802,000 making a total fund available of \$7,578,000. Our obligations as of April 30 were \$6,601,842, leaving an unobligated balance as of April 30 of \$976,158. These obligations, it used as a basis for an average for the first 10 months, would not hold exactly true for the full fiscal year, because we are now on the accelerated program with all of these part-time employees, and the heavy volume of work is coming in the last part of the year.

Mr. TABER. How much did you spend in April?

Mr. PETERSON. Our obligations were \$776,000. May expenditures and June expenditures will be much heavier on account of this additional tax load. We estimate that the salaries alone for May and June will run about \$1,500,000 and the supplies will run another \$300,000, making total obligations or estimated obligations for May and June of \$1,800,000.

Mr. TABER. That is all I have.

Mr. BRENNAN. Mr. Chairman, I might say that the 1947 estimates were based on over \$22,000,000, 1945 tax refunds, and when the program was accelerated we asked that the \$1,000,000 be made immediately available with the expectation that a large portion of the work would be received in the disbursing offices before June 30, 1946. However, in the event the refund vouchers were delayed in reaching the disbursing offices, any unexpended portion of the \$1,000,000 would still be available during 1947 to do the work and we would still be within our original estimates.

LIQUIDATION OF OFFICE OF CENSORSHIP AND OFFICE OF CIVILIAN DEFENSE

Mr. CANNON. We have an item before us in House Document No. 598 for the Bureau of Accounts of \$45,400 for the liquidation of the Office of Censorship and the Office of Civilian Defense. Why is this additional money required at this time?

Mr. MAXWELL. This amount is required to meet the expenses of two war agencies, the liquidation of which was turned over to the Treasury subsequent to the time the regular estimates were submitted last fall.

Mr. CANNON. And what agencies are included in this estimate?

Mr. MAXWELL. \$7,000 for the Office of Censorship and \$38,400 for the Office of Civilian Defense.

Mr. WIGGLESWORTH. I thought they had been liquidated a long while ago.

Mr. TABER. They have hung on. Why do you keep them on?

Mr. MAXWELL. Let me explain. On November 15, 1945, Executive Order 9631 was issued which transferred the liquidation of the Office of Censorship to the Treasury. That is the first time we have had any connection with it.

Mr. TABER. It ought to have been liquidated long before that.

Mr. MAXWELL. For the Office of Civilian Defense, there was an Executive order issued June 4, 1945, which transferred to the Treasury Department the liquidation of its fiscal affairs as of July 1, 1945, and we included funds in our regular estimates for that purpose.

Mr. TABER. As of July 1, last?

Mr. MAXWELL. Yes, sir; 1945.

Mr. WIGGLESWORTH. That is almost a complete year ago.

Mr. MAXWELL. Yes, sir.

Mr. WIGGLESWORTH. What has been going on in the meantime?

Mr. MAXWELL. I think Mr. Banning, the Liquidation Officer, can explain the details, but I would like to say further in respect to this additional work, that on April 1, 1946, a letter from the President transferred to us the liquidation of the property section of the OCD which under the Executive order of June 4, 1945, had been previously

transferred to the Department of Commerce. Now they have turned it over to the Treasury Department to finish the liquidation.

Mr. TABER. I know a little bit about it myself. I went over to the Commerce Department and had a session with Mr. Schindler and some of his people, and the Surplus Property Office, and we laid out a program to clean the thing up whereby it would not have cost the Government anything and it would have been done the first of last July. Then they went to work to juggle things to keep these bureaucrats on the pay roll. It is quite discouraging to anyone who likes to see a job done the right way, to have those things happen.

Mr. MAXWELL. Mr. Taber, I think Mr. Banning can tell you just what has yet to be done or what we feel should be done.

Mr. BANNING. The President in a letter of March 26 directed the Treasury Department to take over, effective as of April 1, 1946, the remaining protective property liquidation work, formerly handled in the Department of Commerce.

The Bureau of Accounts, through the Civilian Defense property unit, is carrying on the final liquidation work for approximately \$28,000,000 worth of protective property distributed in some 3,000 communities. About \$9,000,000 of this relates to items of a personal nature, such as helmets, gas masks, firemen's coats, and so forth, which were distributed to individuals throughout States and communities. From this class of property no cash realization is expected because of the prohibitive cost of gathering in items from individual holders. Property valued at about \$19,000,000, however, has been declared surplus to the War Assets Administration, which has undertaken to dispose of the various items in accordance with their established procedure. The principal job of the Property Accounting Unit, the liquidation of which has been turned over to the Treasury, is first to assure that the War Assets Administration locates and receives the property; and secondly, that the bonded property officers—they were required to be bonded under the regulations of the OCD—be relieved, from their surety bonds when proper accounting is rendered.

Work accomplished since the OCD property unit was taken over on April 1, 1946, has been to classify loss and damage claims and to set up files for this type of transactions. We processed some 200 disposal documents received, and there are a great many more to be processed. Correspondence is heavy. We have replied to some 500 letters regarding the disposal of protective property. We have made an audit of some 75 accounts and released the property officers.

The work remaining to be carried into the fiscal year, as envisaged now, would consist of the following:

Processing of disposal documents covering sales to be reported on protective property having a cost value of over \$2,000,000.

Processing disposal documents on property declared surplus having a cost value of approximately \$16,000,000.

We will audit and investigate, where necessary, possibly several thousand claims for loss and damage of property. We will have to continue replying to correspondence—although unquestionably the volume should drop off shortly after the beginning of the ensuing year. We will also have to audit and close approximately 2,900 accounts which will involve the termination of surety bonds of local property

officers, and finally we will have to prepare the permanent records and accounts for the National Archives.

Mr. WIGGLESWORTH. What in the world has the Commerce Department been doing all this time?

Mr. BANNING. It was rather a large job that they had undertaken, because of the diversity of civilian defense equipment, and the numerous communities in which distributed.

Mr. WIGGLESWORTH. It is almost a full year now and apparently we have not accomplished anything substantial toward winding this up. I thought it was wound up a couple of years ago.

Mr. MAXWELL. I believe they had undertaken to sell some of this property themselves. However, we do not now have any information as to reasons for any delays in their plans to liquidate.

Mr. WIGGLESWORTH. Is this the first money you have requested for this purpose?

Mr. MAXWELL. Yes, sir.

Mr. WIGGLESWORTH. Do you know how much was made available to the Department of Commerce for liquidating this agency?

Mr. BANNING. I believe about \$152,000 was made available last year to the Department of Commerce. Of this amount we received for administration of the property during the period April 1 to June 30 the sum of \$19,500.

Mr. WIGGLESWORTH. How much have you spent?

Mr. BANNING. To April 30 we had spent \$2,259 leaving an unobligated balance of \$17,241.

Mr. WIGGLESWORTH. That is for the purpose of the OCD?

Mr. BANNING. That is correct. The projected pay roll for the balance of the year, increasing the force to press work to completion, amounts to \$8,595.

Mr. WIGGLESWORTH. For what period?

Mr. BANNING. For the balance of the year, between May 1 and June 30, 1946.

Mr. WIGGLESWORTH. And you have \$17,000 on hand?

Mr. BANNING. Yes, sir.

Mr. TABER. Why do you need more?

Mr. BANNING. Other additional expenses will amount to \$2,342.

Mr. WIGGLESWORTH. That would still give you \$10,000.

Mr. BANNING. Yes, sir; approximately.

Mr. WIGGLESWORTH. That would still leave \$7,000.

Mr. BANNING. It leaves us exactly \$6,304.

Mr. WIGGLESWORTH. Why do you need the \$38,400?

Mr. MAXWELL. There will be an unexpended balance for this fiscal year, provided we have no lump-sum payments to cover accrued leave for terminated employees.

Mr. BANNING. We will press the work to completion just as fast as we can.

Mr. WIGGLESWORTH. I hope you can press it faster than the Commerce Department seems to have done.

Mr. BANNING. The Department is undertaking to do it.

Mr. WIGGLESWORTH. How long do you estimate it will take to wind this thing up completely?

Mr. BANNING. OCD Property Unit may run as much as 6 to 8 months in the following year. The War Assets Administration has charge of the disposal of this property and the speed with which we

clean up the job will depend largely on reports received from them. They have developed procedure for the disposal of protective property, and have circulated the same to their field offices. We hope to secure early returns on the disposal of this property.

Mr. WIGGLESWORTH. It seems to me perfectly ridiculous to take a year and 6 or 8 months to wind up an agency of this character. I know the full responsibility is not yours, but it ought to be wound up and wound up properly now that you have taken it over.

Mr. MAXWELL. We intend to. As a matter of fact it is our intention to wind up all of those agencies just as soon as possible. But there are some factors beyond our control which extend some of these beyond the next fiscal year; for example, the handling of exceptions from the General Accounting Office which will not come in to us until probably the following fiscal year. We are not in a position to clear those until we receive them.

Mr. WIGGLESWORTH. This \$38,400 is based on what period?

Mr. MAXWELL. For 1947, for the first 8 months.

Mr. WIGGLESWORTH. You are not going to use it all, are you?

Mr. BANNING. Yes. We hope to clean this work up as rapidly as possible. The entire job will run 6 months, maybe 8 months.

Mr. TABER. You have not realized a single cent out of anything yet, have you?

Mr. BANNING. Before the Department of Commerce transferred the work to us, they had declared surplus property to the War Assets Administration of about 3½ million dollars. That was the cost. The sale value of that was about \$1,300,000. The actual proceeds that have been realized so far on those sales are around \$636,000.

Mr. CANNON. If there is nothing further, gentlemen, thank you.

FRIDAY, MAY 24, 1946.

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

STATEMENT OF DR. MARTHA M. ELIOT, ASSOCIATE CHIEF

GRANTS TO STATES FOR EMERGENCY MATERNITY AND INFANT CARE

Mr. CANNON. We have an item in House Document 558, an estimate from the Bureau of the Budget for the Department of Labor, the Children's Bureau, in the amount of \$2,148,800 for 1946, for grants to States for emergency maternity and infant care. The proposal is to restore that amount. We originally appropriated \$44,189,500, and we rescinded in the first rescission act \$8,113,600.

According to your justification, you take the position that the rescission was based upon an estimate, revision of which indicates an underestimate of the number of cases. I believe there was a change whereby 14 States went on an encumbrance basis, which is also a factor.

Let us have a statement on this item, Dr. Eliot, if you please.

Dr. ELIOT. Mr. Chairman, as you have stated, the Children's Bureau is requesting, as indicated in House Document No. 554, an

additional appropriation of \$2,148,800 for grants to States for emergency maternity and infant care for the fiscal year ending June 30, 1946.

I would like to point out if I may that progress under this program has continued. You may be interested to know that on March 31, 1946, 3 years of service to the wives and infants of servicemen under this program were completed.

During this 3-year period 1,187,971 mothers and infants have been given care.

I think you may be interested to know also that nearly 50,000 physicians in this country and more than 5,000 hospitals have participated in this program. These figures are given in recent reports of the States to the Children's Bureau.

I appeared before you last October and indicated we estimated we could return to the Treasury approximately \$8,000,000 of the \$44,000,000 appropriated for the current fiscal year. That estimate was based on figures obtained from the war and Navy Departments in September 1945 as to the proposed reduction in the armed forces in the fiscal year 1946.

Experience has shown this estimate to be incorrect, as many of our estimates have been in the past. The need at this time for additional funds for the current year is brought about by the increase in the number of cases authorized under the program and the change, to which you have already referred, in the method of payment to 14 States, which were shifted from a cost-of-completed-case basis, to an encumbrance basis.

I would like to report on the status of our appropriation as of May 22, so that you may know exactly how we stand today. Through May 22, the payments during this fiscal year to the States for this program have amounted to \$34,707,032. The balance in the Treasury on May 22 was \$1,368,868. We have in process of payment another \$450,000, which will leave a balance on the 31st of May of \$918,868.

We estimate that there will be required for the month of June a total of \$2,893,471, \$13,471 for State administration and \$2,880,000 for 32,000 cases at \$90 a case.

The additional amount needed therefore to carry us through June is \$1,974,603 or \$174,197 less than the amount that has been included in this estimate as transmitted to you by the Bureau of the Budget.

In submitting the request for \$2,148,800 the Children's Bureau estimated it would be necessary to make payments to the States for 33,000 cases for the month of May. This estimate is approximately 2,000 cases more than the States have now reported they estimate for the month of May.

Mr. CANNON. What percentage of this amount results from the change from the case basis to the encumbrance basis?

Dr. ELIOT. I think it is approximately \$1,500,000.

Mr. CANNON. What percentage would that be?

Dr. ELIOT. About 70 percent, I would say.

Mr. CANNON. And in the past have adjustments which were made on this encumbrance basis, or procedure, resulted in appreciable credits?

Dr. ELIOT. During the fiscal year 1945, 29 States were placed on the encumbrance basis. They were States that were not carrying the heaviest load of cases in the country. The States that have been

placed on the encumbrance basis during the current fiscal year are States with heavy case loads and the amount of money required for this change in the basis of payment is greater than that required in the previous year.

Mr. CANNON. I am wondering if this supplemental estimate completely discounts underencumbrance?

Dr. ELIOT. Completely discounts underencumbrance?

Mr. CANNON. Yes; has that been taken into consideration?

Dr. ELIOT. I would say that it did take into consideration any underencumbrance as well as overencumbrance in the States.

Mr. CANNON. That has all been taken into consideration in making this estimate?

Dr. ELIOT. Yes, that has been taken into consideration. There will still be at the end of May, 7 States that will not have been placed on the encumbrance basis. During the coming fiscal year the presumption is that those 7 States will go on an encumbrance basis, that is if they wish to do so.

There are quite a number of States that under State law require funds to be on deposit in the State treasury before authorizations for care are approved by the State agency. Those States that have such laws requested the Bureau to make payments on an encumbrance basis so that their obligations might be covered when authorizations for care are issued. There may be additional payments that will have to be made next year to those seven States when they are transferred to the encumbrance basis. I think it should be made clear, however, that as bills are received and paid by the States under the encumbrance plan adjustments are made to correct for over- or under-encumbrance. There is constantly a release of encumbered funds as the cases are completed and the bills paid.

Mr. CANNON. Your estimate for this activity for the fiscal year 1947 was \$17,593,000. That indicates a precipitous drop at some stage rather than a gradual decline. How do you account for that situation?

Dr. ELIOT. I believe that it will be a gradual decline.

Mr. CANNON. But this amount would indicate that somewhere along the line there was a tremendous fall, or there will be, instead of a gradual decline.

Dr. ELIOT. The estimate of the number of cases in 1947 has been made on the basis of data given to us by Army and Navy authorities. Such data has furnished the basis for our estimates in the past. Various factors have been taken into consideration in making the estimate for 1947, such as the number of servicemen in the four lowest pay grades who are married—the ratio of maternity authorizations to the strength of the armed forces and the relationship between the number of maternity cases and infant cases authorized under the program.

In the light of information we have now we believe that \$17,000,000 will cover our needs during the coming year, including the change that was brought about, about a year ago, to provide care for the wife of the discharged man if the pregnancy occurred before the man was discharged from the service.

Mr. CANNON. We appropriated last year \$44,000,000 and even with the rescission, allowing this restoration here, your cost would be

around \$38,000,000 to \$40,000,000. Here you are dropping from around \$40,000,000 to \$17,000,000. That is quite extraordinary.

Dr. ELIOT. We believe that the number of applications for maternity care will drop off. Again, Mr. Chairman, we may be wrong. I cannot believe, however, that the time has not about arrived for that more rapid drop to occur. The large number of men who have been discharged from the Army and Navy already indicates to us that there will be such a decline.

Mr. CANNON. Of course, when the discharged man severs his connection with the Army, when he is released, he loses his eligibility.

Dr. ELIOT. That is right. He is no longer eligible, unless his wife was pregnant prior to his discharge from the service.

Mr. CANNON. Have you any questions, Mr. Taber?

Mr. TABER. The only thing that occurs to me is perhaps that you will not need so much money next year, because the money asked for here is, to a certain extent, to take care of this encumbrance method of handling the funds.

You perhaps might not need so much money next year as a result of that, is that right?

Dr. ELIOT. For that purpose we certainly will not need it. There are only seven States left that are not on the encumbrance plan. It is possible that all of these States may not go on the encumbrance plan. If they do not, when the program comes to a close, they may find that they have not enough money to complete payments on their cases.

Mr. WIGGLESWORTH. What is the duration of this program?

Dr. ELIOT. It is a program which has been defined as national defense and we are assuming that it will continue as long as the Congress sees fit to continue it as a war program. Either the Congress or, I presume, the President, could declare the war officially over. This program might then be declared to be officially at an end.

Mr. WIGGLESWORTH. Does it terminate with such a declaration or 6 months after the declaration, or is it defined in any way?

Dr. ELIOT. There is nothing in the appropriation act which covers this point.

Mr. WIGGLESWORTH. That is all.

Mr. CANNON. Thank you, Doctor.

INDEX

LIST OF WITNESSES

	Page
Andretta, S. A.....	20
Banning, P.....	150
Biggs, Hon. J., Jr.....	29
Bradley, Gen. O. N.....	69, 86
Bragdon, Brig. Gen. J. S.....	86
Breining, H. W.....	86
Brennan, E. J.....	150
Bronson, Col. R. P.....	86
Brown, J. C.....	29
Butts, E. R.....	20
Cameron, D. E. A.....	31
Cash, J. B.....	69, 86
Dryden, F. H.....	69, 86
Duncan, W. H.....	31
Eliot, Dr. M. M.....	155
Field, G. H.....	31
Fleming, Maj. Gen. P. B.....	31
Graef, H., Jr.....	69
Haggerty, J. J.....	1
Hall, E. E.....	31
Hawley, Maj. Gen. P. R.....	86
Horkan, Brig. Gen. G. A.....	127
Illig, Col. J. M.....	127
Kelly, W.....	1
Loughry, Gen. H. K.....	136
Martin, L. C.....	69
Maxwell, R.....	150
Moon, Mrs. M. G.....	31
Moore, S. M., Jr.....	69, 86
Morris, Hon. J. W.....	29
Overton, E. R.....	86
Peterson, A. L.....	150
Poole, R. S.....	86
Rockefeller, J. J.....	69, 86
Sechrest, Lt. Col. E. F.....	127
Seward, P. F.....	31
Shanks, J. C.....	122
Smith, R.....	150
Strom, A. B.....	1
Travelstead, P.....	150
Whitehurst, E.....	29

INDEX

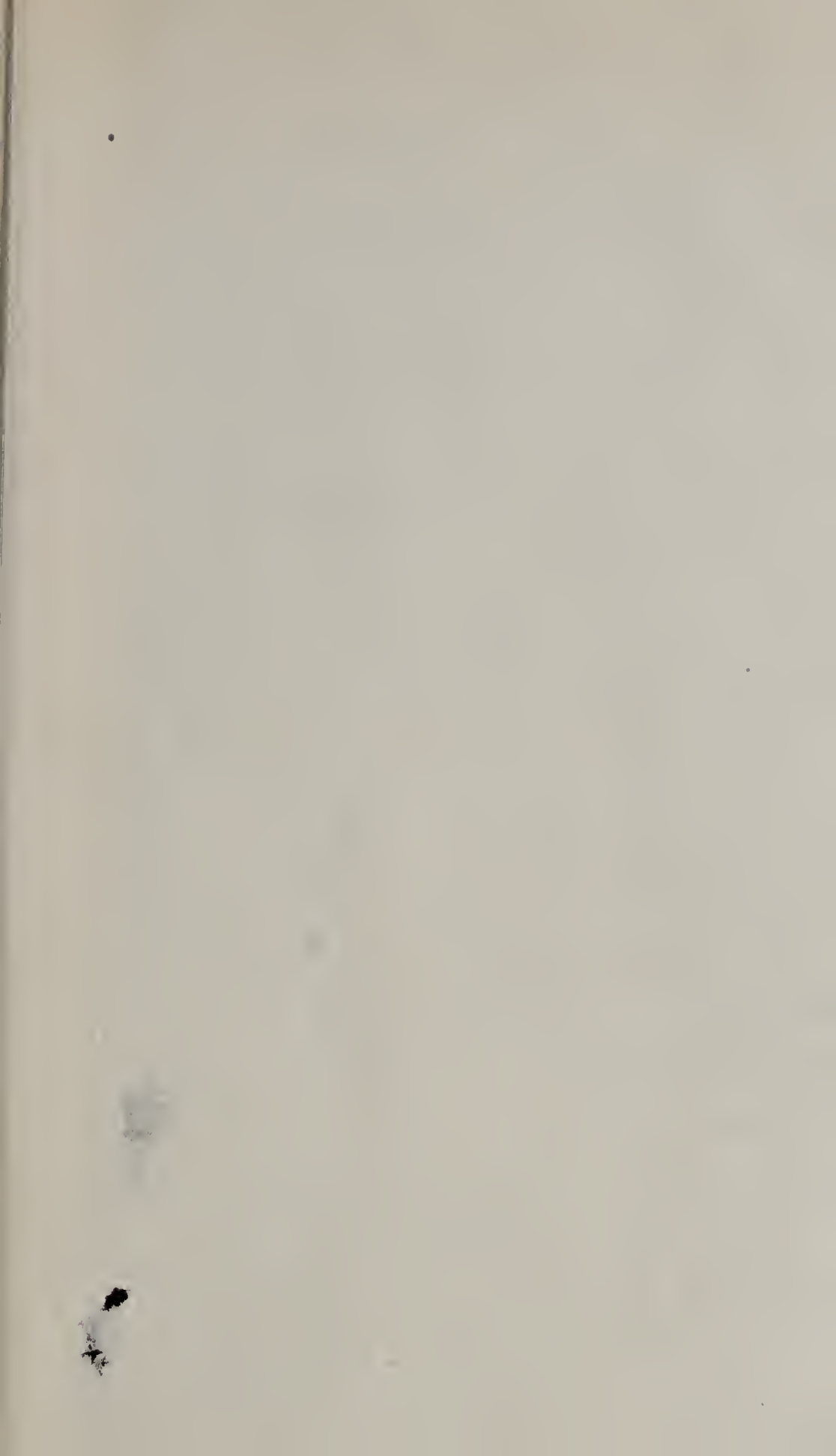
D

Defense Transportation, Office of.....	19
--	----

F

Federal Power Commission.....	18
Federal Works Agency.....	31
Community facilities, Bureau of.....	31
Advance planning program.....	34
Liquidation of other activities, administrative expenses incident to.....	63
Schools, maintenance and operation of.....	56
Community War Services, liquidation program for.....	66

	Page
H	
House of Representatives.....	122
Clerk, Office of the.....	127
Committee employees.....	126
Contingent expenses:	
Folding documents.....	125
Reporting hearings.....	124
Telegraph and telephone.....	122
Doorkeeper, Office of the, salaries.....	126
J	
Justice, Department of.....	20
Administrative Division.....	28
Assistant Solicitor General, Office of.....	24
Bailiffs, pay and expenses of.....	28
Criminal Division.....	23
Lands Division.....	28
Pardon, Attorney, Office of.....	26
Printing and binding.....	26
Tax Division.....	20
Witnesses, fees of.....	28
L	
Labor Department.....	155
Children's Bureau.....	155
Emergency maternity and infant care, grants to States for.....	155
P	
Post Office Department.....	1
T	
Treasury Department.....	150
Accounts, Bureau of.....	150
Accelerated tax refund program, 1946.....	150
Censorship, Office of, liquidation of.....	152
Civilian Defense, Office of, liquidation of.....	152
U	
United States Court, Administrative Office of.....	29
Court of reporters.....	31
Miscellaneous salaries.....	30
Probation system.....	29
V	
Veterans' Administration.....	69, 86
Construction contracts, increased costs under.....	69, 101
Hospital construction.....	101
Loans for housing, discussion of.....	97
Medical, hospital, and domiciliary services, administration of.....	86
National Service Life Insurance.....	99
Penalty mail.....	98
Printing and binding.....	94
W	
War Department, civil functions:	
Cemeterial expenses.....	127
United States Soldiers' Home.....	136
Fire hazards, correction of.....	136
Planning for construction operations.....	139





DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued May 31, 1946
For actions of May 29, 1946
79th-2nd, No. 102

CONTENTS

Adjournment.....	9,16	Grain.....	26	National parks.....	20
Administrative expenses..	5	Housing.....	12	Nominations.....	12
Appropriations.....	4	Inflation.....	32	Personnel.....	7,28
Buildings and grounds....	8	Labor.....	1,14,18,31,32	Presidential succession..	21
Claims.....	7	Labor, farm.....	31	Price control.....	2,19,32
Dairy industry.....	24	Lands, public.....	11	Reclamation.....	29
F.C.A.....	12	Limitations statute.....	13	Reorganization.....	17,30
Feed shortage.....	23	Livestock and meat.....	25	Research.....	10,22
Fertilizers.....	2	Machinery, farm.....	32	Statistics.....	3
Flood control.....	6,29	Marketing.....	10	Wheat.....	15,26
Food production.....	27,31	Minerals.....	11	Wool.....	10

HIGHLIGHTS: House agreed to Senate amendments to Case labor bill; ready for President. House passed deficiency appropriation bill which includes funds for FWA public-works planning. House committee reported omnibus flood-control bill. House committee reported bill to provide basic authority for general provisions regarding administrative expenses, etc., in Independent Office Act. Senate received nomination of Duggan to be FCA Governor. Senate Wool Committee reported bill to provide for price supports standards work, research, etc., regarding wool. Senate committee reported bill to promote development of minerals on Federal lands. Rep. Miller (Nebr.) introduced bill to abolish OPA and transfer certain of its functions to USDA.

HOUSE

- 1. LABOR DISPUTES.** By a 230-106 vote, agreed to the Senate amendments to H. R. 4908, the Case labor-disputes bill (pp. 6035-57). This bill will now be sent to the President.
This bill, which would be known as the "Federal Mediation Act of 1946," creates a Federal Mediation Board in the Labor Department to encourage employers and employees to settle disputes, to proffer its services in an effort to settle disputes by conciliation and mediation, to seek to induce the parties to a dispute to submit to arbitration when necessary. It provides that when the Board offers its conciliation services, there shall be no strike or lock-out until the Board certifies that its efforts have ended or until 60 days after notice asking a conference between the parties, whichever is earlier. It provides that whoever obstructs, delays, or affects commerce, or movement of any article or commodity, by robbery or extortion, shall be guilty of a felony; prohibits payments by employers to representatives of their employees except for services, etc.; requires labor unions to live up to their contracts; etc.
- 2. PRICE CONTROL; FERTILIZER.** Rep. Jenkins, Ohio, announced that the Republican Congressional Food Study Committee has released figures on fertilizer and OPA activities which, he said, indicate that OPA has not held the line (p. 6033).
- 3. STATISTICS.** The Rules Committee reported a resolution for consideration of H. R. 5857, to provide basic authorization for statistical-information work of the Census Bureau (pp. 6034-5).
- 4. THIRD URGENT DEFICIENCY APPROPRIATION BILL.** Passed without amendment this bill, H. R. 6601, which was reported by the Appropriations Committee (H. Rept. 2159) (pp. 6035, 6057-61). The bill includes \$35,000,000 for public-works advance planning (FWA), \$1,000,000 for liquidation of war public works (community facilities, FWA) (reappropriation), and \$825,000 for Disbursement Division, Treasury.

5. ADMINISTRATIVE EXPENSES. The Expenditures in the Executive Departments Committee reported without amendment H. R. 6533, which provides basic authority for general provisions now carried in the Independent Offices Appropriation Act, with several changes (H. Rept. 2186)(p. 6066). For bill's provisions see Digests 196 (1945) and 101.
6. FLOOD CONTROL. The Flood Control Committee reported without amendment H. R. 6597, the omnibus flood-control bill (H. Rept. 2165)(p. 6066).
7. PERSONNEL; CLAIMS. The Claims Committee reported with amendment H. R. 6532, to provide a method for payment in certain Government establishments of overtime, leave, and holiday compensation on the basis of night rates pursuant to certain GAO decisions (H. Rept. 2169)(p. 6066).
8. BUILDINGS AND GROUNDS. Received from the State Department proposed legislation for acquisition of buildings and grounds in foreign countries for the U. S. Government. To Foreign Affairs Committee. (p. 6065.)
9. ADJOURNED until Fri., May 31 (p. 6065).

SENATE

10. WOOL MARKETING. The Special Committee to Investigate Production, Transportation, and Marketing of Wool reported with amendment S. 2033, to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, and to authorize the Secretary to fix wool standards (S. Rept. 1398) (p. 5992); Under an agreement at the time of the introduction of the bill, it was referred to the Agriculture and Forestry Committee (p. 5992).
11. PUBLIC LANDS; MINERALS. The Public Lands and Surveys Committee reported with amendments S. 1236, to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest (S. Rept. 1392) (p. 5992).
12. NOMINATIONS. Received the nominations of Ivy W. Duggan to be Governor of the Farm Credit Administration for another 6-year term and R. M. Foley to be Federal Housing Administrator (p. 6031).
13. STATUTE OF LIMITATIONS. The Judiciary Committee reported with an amendment H. R. 2788, to limit the time during which action may be brought for recovery of wages, penalties, or other damages pursuant to any U. S. law and for which a specific statute of limitations has not been provided (S. Rept. 1395) (p. 5992).
14. LABOR DISPUTES. Continued debate on H. R. 6578, the President's labor bill (pp. 5993-6028). Agreed, 70-13, to the motion of Sen. Wagner, N. Y., to strike out sec. 7 of the bill, the work-or-be-drafted provision (p. 6028).
15. WHEAT. Sen. Capper, Kans., inserted a constituent's telegram claiming that some of the wheat acquired by CCC under the bonus plan has been exported to Mexico (p. 5992).
16. RECESSED until Fri., May, 31 (p. 6031).

to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5857) to provide for the collection and publication of statistical information by the Bureau of the Census. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Census, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Centralia Sentinel published by Verne E. Joy at Centralia, Ill., the editorial dealing with the dramatic ending of the railroad strike.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include a telegraphic resolution from the Hotel Association of Vermont.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an address to be made tomorrow by the gentleman from Illinois [Mr. VURSELL] over radio station WDC at Tuscola, Ill.

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include a speech made by him last night over radio station WWDC.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Adams	Cooley	Hancock
Anderson, Calif.	Corbett	Hand
Andersen,	Courtney	Hart
August H.	Crawford	Hartley
Andrews, N. Y.	Curley	Havener
Arends	Daughton, Va.	Hays
Baldwin, Md.	Dawson	Healy
Baldwin, N. Y.	Delaney,	Hébert
Bates, Mass.	James J.	Hook
Bell	Douglas, Calif.	Hope
Bennet, N. Y.	Durham	Izac
Bennett, Mo.	Dworshak	Jarman
Bloom	Eaton	Johnson, Ind.
Boykin	Elliott	Kearney
Brehm	Engle, Calif.	Kilburn
Buckley	Fernandez	Kilday
Bunker	Fogarty	King
Butler	Folger	Kirwan
Cannon, Fla.	Fuller	LaFollette
Cannon, Mo.	Gathings	Lea
Carlson	Gavin	Lesinski
Chelf	Gearhart	Ludlow
Clippinger	Gossett	McCormack
Cochran	Gwinn, N. Y.	McDonough
Coffee	Hagen	McGlinchey
Cole, Kans.	Hall,	Mason
Colmer	Edwin Arthur May	

Merrow	Reece, Tenn.	Thom
Miller, Calif.	Reed, Ill.	Tolan
Morrison	Rees, Kans.	Torrens
Murphy	Robertson,	Traynor
Murray, Tenn.	N. Dak.	Vinson
Norton	Roe, N. Y.	Weaver
Patrick	Sadowski	Welch
Patterson	Schwabe, Mo.	White
Philbin	Sheppard	Wilson
Ploeser	Short	Winter
Powell	Stewart	Wolcott
Quinn, N. Y.	Sundstrom	Wolfenden, Pa.

The SPEAKER. On this roll call, 317 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

THIRD URGENT DEFICIENCY APPROPRIATION BILL

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill, (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, (Rep. No. 2159), which was read a first and second time, and with the accompanying papers referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE CASE BILL

Mr. McCORMACK. Mr. Speaker, the Committee on Rules has reported out a rule making in order the consideration of the Senate amendment to the Case bill. In order for the Senate amendments to be considered today, two-thirds of the Members must vote in favor of the rule. Since tomorrow is Memorial Day, the matter will have to be brought up today or go over until Friday, since I am sure we would all want to go over tomorrow in memory of our dead. So far as I am concerned, I am going to vote for the present consideration of the rule. That in no way involves my views on the matter of the Senate amendment itself on which I will express myself if I am given time. So far as the consideration of the rule is concerned, I am going to vote for the present consideration of the rule. Anybody can object to adjourning over until Friday.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SABATH. Does the gentleman know the rule provides that the bill be taken from the Speaker's table and the Senate amendment agreed to?

Mr. McCORMACK. That is what I understand, yes.

Mr. SABATH. That is not the usual procedure, which is to send the bill to conference.

Mr. McCORMACK. I would rather have seen it go to conference, but the rule is before us.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARTIN of Massachusetts. As I understand, a vote against the consideration of the rule now simply means that the matter will be postponed until tomorrow or Friday?

Mr. McCORMACK. Yes, either tomorrow or Friday.

Mr. MARTIN of Massachusetts. Therefore, a vote on the consideration of the rule at the present time has nothing to do with the merits of the legislation?

Mr. McCORMACK. That is correct.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Am I correct in stating that the procedure will be as follows: When the rule is called up, there will be a vote immediately on the question of the present consideration of the rule without any debate. If two-thirds of the Members vote for immediate consideration of the rule, then we are in exactly the same position as when a rule is reported to the House, that is, there will be 1 hour's debate, one-half to be controlled by the majority, and one-half by the minority. Then those who are opposed to the Senate amendment may vote against that rule. A vote for consideration is not a vote for the rule. It requires two-thirds to get consideration today. It requires a majority only to pass the rule.

The SPEAKER. The gentleman has correctly stated the parliamentary situation.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Is it in order for those of us who are opposed to the consideration of the rule to have 1 minute at this time to take a different position than the one taken by the distinguished majority leader with regard to the interpretation of the vote on the rule?

The SPEAKER. The gentleman can proceed for a minute by unanimous consent.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I simply want to state that those of us who are opposed to the Case bill are opposed to any steps that will be taken to promote that Case bill toward the White House, and that includes consideration of this rule today, tomorrow, or any other time. Therefore, the vote of all opponents of the Case bill should be "no" on the question of present consideration of this rule.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRADLEY of Pennsylvania. If there is no consideration of the rule today after a two-thirds vote, what then is the parliamentary situation with respect to these amendments?

The SPEAKER. The parliamentary situation is that either tomorrow or the next day or the next day the rule would be a privileged matter and could be called up for consideration without any two-thirds vote.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. If two-thirds do not vote to consider the rule today, then, when we adjourn over tomorrow it must be by unanimous consent. Is that understanding correct?

The SPEAKER. The gentleman is correct.

Mr. McCORMACK. So that if any Member objects to adjourning over tomorrow, then it would be in order to bring this rule up tomorrow under the ordinary rules of the House?

The SPEAKER. The gentleman is correct.

Mr. SABATH. Would it not be in order for the gentleman to ask unanimous consent now that when we adjourn today we adjourn until Friday?

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. Cox].

FEDERAL MEDIATION ACT OF 1946

Mr. COX, from the Committee on Rules, submitted the following privileged resolution (H. Res. 644, Rept. No. 2161) for printing in the RECORD:

Resolved, That upon the adoption of this resolution the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, agreed to.

Mr. COX. Mr. Speaker, I call up House Resolution 644 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, agreed to.

The SPEAKER. The question is, Will the House consider the resolution?

Mr. MARCANTONIO. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 235, nays 96, not voting 99, as follows:

[Roll No. 137]

YEAS—235

Abernethy	Andrews, Ala.	Bates, Ky.
Allen, Ill.	Arnold	Beall
Allen, La.	Auchincloss	Beckworth
Almond	Barden	Bender
Andersen,	Barrett, Wyo.	Blackney
H. Carl	Barry	Bland

Bolton	Hall,	Pace
Bonner	Leonard W.	Patman
Boren	Halleck	Peterson, Fla.
Bradley, Mich.	Hare	Peterson, Ga.
Brehm	Harness, Ind.	Phillips
Brooks	Harris	Pickett
Brown, Ga.	Hselton	Pittenger
Brown, Ohio	Hendricks	Plumley
Brumbaugh	Henry	Poage
Bryson	Herter	Price, Fla.
Buck	Heslton	Priest
Buffett	Hess	Rains
Bulwinkle	Hill	Ramey
Burch	Hinshaw	Rankin
Byrnes, Wis.	Hobbs	Reed, Ill.
Camp	Hoeven	Reed, N. Y.
Campbell	Hoffman	Rich
Cannon, Mo.	Holmes, Mass.	Richards
Case, N. J.	Holmes, Wash.	Riley
Case, S. Dak.	Horan	Rivers
Chapman	Howell	Rizley
Chelf	Jenkins	Robertson, Va.
Chenoweth	Jennings	Robison, Ky.
Chiperfield	Jensen	Rockwell
Church	Johnson, Ill.	Rodgers, Pa.
Clark	Johnson,	Roe, Md.
Clason	Luther A.	Rogers, Fla.
Clevenger	Johnson,	Rogers, Mass.
Cole, Mo.	Lyndon B.	Russell
Cole, N. Y.	Johnson, Okla.	Sasser
Combs	Jones	Schwabe, Okla.
Cooper	Jonkman	Scrivner
Cox	Judd	Shafer
Cravens	Kean	Sharp
Crawford	Keefe	Sikes
Cunningham	Kerr	Simpson, Ill.
Curtis	Kilday	Simpson, Pa.
Davis	Kinzer	Slaughter
D'Ewart	Knutson	Smith, Maine
Dirksen	Landis	Smith, Va.
Dolliver	Lanham	Smith, Wis.
Domeneaux	Larcade	Sparkman
Dondero	Latham	Springer
Doughton, N. C.	LeCompte	Stefan
Drewry	LeFevre	Stevenson
Earthman	Lewis	Stigler
Ellis	Luce	Stockman
Ellsworth	Lyle	Sumner, Ill.
Elston	McConnell	Sumners, Tex.
Engel, Mich.	McCormack	Sundstrom
Ervin	McCowan	Taber
Fallon	McGehee	Talbot
Fellows	McGregor	Talle
Fisher	McKenzie	Tarver
Gamble	McMillan, S. C.	Taylor
Gary	McMillen, Ill.	Thomas, N. J.
Gathings	Mahon	Thomason
Gerlach	Maloney	Tibbott
Gibson	Manasco	Towe
Gifford	Mansfield, Tex.	Trimble
Gillespie	Martin, Iowa	Vorvys, Ohio
Gillette	Martin, Mass.	Vursell
Gillie	Mathews	Wadsworth
Goodwin	Michener	Weichel
Gore	Miller, Nebr.	West
Gossett	Mills	Whitten
Graham	Monroney	Whittington
Grant, Ala.	Morrison	Wickersham
Grant, Ind.	Mundt	Wigglesworth
Gregory	Murray, Wis.	Winstead
Griffiths	Norblad	Wood
Gross	Norrell	Woodruff
Gwynne, Iowa	O'Hara	Worley
Hale	O'Neal	Zimmerman

NAYS—96

Angell	Gardner	Mankin
Bailey	Geelan	Mansfield,
Barrett, Pa.	Gordon	Mont.
Blemiller	Gorski	Marcantonio
Bishop	Granahan	Morgan
Bloom	Granger	Murdock
Bradley, Pa.	Green	Murphy
Byrne, N. Y.	Harless, Ariz.	Neely
Canfield	Hart	O'Brien, Ill.
Carnahan	Hedrick	O'Brien, Mich.
Celler	Heffernan	O'Konski
Clements	Hoch	O'Toole
Crosser	Holifield	Outland
D'Alesandro	Huber	Pfifer
De Lacy	Hull	Price, Ill.
Delaney,	Jackson	Rabaut
John J.	Johnson, Calif.	Rabin
Dingell	Kee	Randolph
Douglas, Ill.	Kefauver	Rayfiel
Doyle	Kelley, Pa.	Resa
Eberharter	Kelly, Ill.	Robinson, Utah
Elsaesser	Keogh	Rogers, N. Y.
Feighan	Klein	Rooney
Fenton	Kopplemann	Rowan
Flannagan	Kunkel	Ryter
Flood	Lane	Sabath
Fogarty	Lemke	Savage
Forand	Link	Sheridan
Fulton	Lynch	Somers, N. Y.
Gallagher	Madden	Spence

Starkey	Voorhis, Calif.	Wolverton, N. J.
Sullivan	Walter	Woodhouse
Thomas, Tex.	Wasielewski	

NOT VOTING—99

Adams	Elliott	Morrow
Anderson, Calif.	Engle, Calif.	Miller, Calif.
Andresen,	Fernandez	Murray, Tenn.
August H.	Folger	Norton
Andrews, N. Y.	Fuller	Patrick
Arends	Gavin	Patterson
Baldwin, Md.	Gearhart	Philbin
Baldwin, N. Y.	Gwinn, N. Y.	Ploeser
Bates, Mass.	Hagen	Powell
Bell	Hall,	Quinn, N. Y.
Bennet, N. Y.	Edwin Arthur	Reece, Tenn.
Bennett, Mo.	Hancock	Rees, Kans.
Boykin	Hand	Robertson,
Buckley	Hartley	N. Dak.
Bunker	Havener	Roe, N. Y.
Butler	Hays	Sadowski
Cannon, Fla.	Healy	Schwabe, Mo.
Carlson	Hébert	Sheppard
Clippinger	Hook	Short
Cochran	Hope	Smith, Ohio
Coffee	Izac	Stewart
Cole, Kans.	Jarman	Thom
Colmer	Johnson, Ind.	Tolan
Cooley	Kearney	Torrens
Corbett	Kilburn	Traynor
Courtney	King	Vinson
Curley	Kirwan	Weaver
Daughton, Va.	LaFollette	Welch
Dawson	Lea	White
Delaney,	Lesinski	Willson
James J.	Ludlow	Winter
Douglas, Calif.	McDonough	Wolcott
Durham	McGlinchey	Wolfenden, Pa.
Dworshak	Mason	
Eaton	May	

So, two-thirds having voted in favor thereof, the House decided to consider the resolution.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser and Mr. Eaton for, with Mr. Hook against.

Mr. Bennett of Missouri and Mr. Robertson of North Dakota for, with Mr. LaFollette against.

Mr. Cole of Kansas and Mr. Bennet of New York for, with Mr. Miller of California against.

Mr. Hébert and Mr. Clippinger for, with Mr. Butler against.

Mr. Hand and Mr. Rees of Kansas for, with Mr. Powell against.

Mr. Short and Mr. Schwabe of Missouri for, with Mrs. Douglas of California against.

Mr. Winter and Mr. Hope for, with Mr. Havener against.

Mr. Carlson and Mr. Gwinn of New York for, with Mr. Patterson against.

Mr. Arends and Mr. Hartley for, with Mr. Healy against.

Mr. Courtney and Mr. Vinson for, with Mrs. Norton against.

Mr. May and Mr. Fuller for, with Mr. Quinn of New York against.

Mr. Murray of Tennessee and Mr. Mason for, with Mr. King against.

General pairs until further notice:

Mr. McGlinchey with Mr. Corbett.

Mr. Jarman with Mr. Adams.

Mr. Ludlow with Mr. Johnson of Indiana.

Mr. Hays with Mr. Anderson of California.

Mr. Bell with Mr. Edwin Arthur Hall.

Mr. Lea with Mr. Gavin.

Mr. Cochran with Mr. Dworshak.

Mr. Boykin with Mr. Kilburn.

Mr. James J. Delaney with Mr. Morrow.

Mr. Buckley with Mr. Reece of Tennessee.

Mr. Coffee with Mr. Smith of Ohio.

Mr. Fernandez with Mr. Wilson.

Mr. Cooley with Mr. Kearney.

Mr. Folger with Mr. Wolcott.

Mr. Colmer with Mr. McDonough.

Mr. Sheppard with Mr. Wolfenden of Pennsylvania.

Mr. Torrens with Mr. Hagen.

Kee	Murdock	Rogers, N. Y.
Kefauver	Murphy	Rooney
Kelley, Pa.	Neely	Rowan
Kelly, Ill.	O'Brien, Ill.	Ryter
Keogh	O'Brien, Mich.	Sabath
Klein	O'Konski	Savage
Kopplemann	O'Neal	Sheridan
Lane	O'Toole	Smith, Maine
Lemke	Outland	Somers, N. Y.
Lewis	Pfeifer	Spence
Link	Powell	Starkey
Luce	Price, Ill.	Sullivan
Lynch	Quinn, N. Y.	Thomas, Tex.
McCormack	Rabaut	Torrens
Madden	Rabin	Voorhis, Calif.
Mansfield,	Randolph	Walter
Mont.	Rayfield	Wasielewski
Marcantonio	Rea	Wolverton, N. J.
Morgan	Robinson, Utah	Woodhouse

NOT VOTING—94

Adams	Elliott	Mason
Anderson, Calif.	Engle, Calif.	May
Andresen,	Fernandez	Merrow
August H.	Folger	Miller, Calif.
Andrews, N. Y.	Fuller	Murray, Tenn.
Arends	Gavin	Norton
Auchincloss	Gearhart	Patrick
Bates, Mass.	Gwinn, N. Y.	Patterson
Bell	Hagen	Philbin
Bennet, N. Y.	Hall	Ploeser
Bennett, Mo.	Edwin Arthur	Reece, Tenn.
Buckley	Hand	Rees, Kans.
Bunker	Hartley	Robertson,
Butler	Havenner	N. Dak.
Cannon, Fla.	Hays	Roe, N. Y.
Carlson	Healy	Sadowski
Clippinger	Hébert	Schwabe, Mo.
Cochran	Hinschaw	Sheppard
Coffee	Hook	Short
Cole, Kans.	Hope	Smith, Ohio
Colmer	Izac	Stewart
Cooley	Jarman	Thom
Corbett	Johnson, Ind.	Tolan
Courtney	Kearney	Traynor
Curley	Kilburn	Vinson
Daughton, Va.	King	Weaver
Dawson	Kirwan	Welch
Delaney,	LaFollette	White
James J.	Lea	Wilson
Douglas, Calif.	Lesinski	Winter
Durham	Ludlow	Wolcott
Dworshak	McDonough	Wolfenden, Pa.
Eaton	McGlinchey	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Hook against.
 Mr. Eaton for, with Mr. Tolan against.
 Mr. Cole of Kansas for, with Mr. Miller of California against.
 Mr. Short for, with Mrs. Douglas of California against.
 Mr. Schwabe of Missouri for, with Mr. Havenner against.
 Mr. Gwinn of New York for, with Mr. Patterson against.
 Mr. Arends for, with Mr. Healy against.
 Mr. Auchincloss for, with Mrs. Norton against.
 Mr. Hartley for, with Mr. King against.
 Mr. Bennett of Missouri for, with Mr. LaFollette against.
 Mr. Hébert for, with Mr. Butler against.
 Mr. May for, with Mr. Curley against.
 Mr. Robertson of North Dakota for, with Mr. Dawson against.
 Mr. Vinson for, with Mr. Coffee against.
 Mr. Rees of Kansas for, with Mr. Sadowski against.

Additional general pairs:

Mr. Sheppard with Mr. Adams.
 Mr. Cooley with Mr. Carlson.
 Mr. Ludlow with Mr. Hand.
 Mr. Cochran with Mr. Mason.
 Mr. Traynor with Mr. Bennet of New York.
 Mr. Courtney with Mr. Smith of Ohio.
 Mr. Jarman with Mr. Clippinger.
 Mr. Bunker with Mr. Wilson.
 Mr. Murray of Tennessee with Mr. Winter.
 Mr. Colmer with Mr. Fuller.
 Mr. Daughton of Virginia with Mr. Hope.
 Mr. Kirwan with Mr. Wolcott.
 Mr. Elliott with Mr. Dworshak.
 Mr. Durham with Mr. Corbett.

Mr. Fernandez with Mr. Kilburn.
 Mr. Engle of California with Mr. Reece of Tennessee.
 Mr. Foger with Mr. Welch.
 Mr. Buckley with Mr. Johnson of Indiana.
 Mr. Lesinski with Mr. Anderson of California.
 Mr. Hays with Mr. Edwin Arthur Hall.
 Mr. Lea with Mr. Merrow.
 Mr. Stewart with Mr. Gavin.
 Mr. Philbin with Mr. Hagen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent that Members may have five legislative days in which to extend their own remarks in the RECORD on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to know the legislative program for Friday for the information of the House.

Mr. McCORMACK. The remainder of the program today, of course, consists of the third urgent deficiency appropriation bill, and then the Alaskan International Highway Commission bill. The deficiency bill comes up next. I understand that will not take long. If the Alaskan International Highway Commission bill is not disposed of today, that will go over until Friday. Then there is a bill (H. R. 5674) having to do with the Yuma project at Boulder Dam, which will come up Friday.

Mr. MARTIN of Massachusetts. Neither bill, I presume, is very controversial?

Mr. McCORMACK. My understanding is that they are not.

Mr. MARTIN of Massachusetts. I thank the gentleman.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MARCANTONIO. In the event the Senate acts on the President's proposal, is it the intention of the leadership to bring the bill up on Friday?

Mr. McCORMACK. That can only be brought up by unanimous consent, and it is not the intention to do that. Therefore, the Members may rest assured that

they will be protected so far as that is concerned for the balance of the week.

LEAVE OF ABSENCE

Mr. BOREN. Mr. Speaker, my colleague, the gentleman from Oklahoma [Mr. STEWART], is seriously ill. His doctors advise him against making a trip here. I ask unanimous consent that he be given an indefinite leave of absence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THIRD DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6601, with Mr. KEOGH in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, at the end of a session of Congress there is always a flood of deficiency items. Owing to emergency conditions, or otherwise, various governmental establishments, agencies, and activities find themselves without sufficient funds to continue their work, and apply to Congress for supplementary or deficiency appropriations with which to round out the program for the fiscal year.

This year is no exception to the rule. We have on hand many estimates for deficiencies which, under the general routine, would be incorporated in the last deficiency bill which, in the natural order of things, we expect to report early in June. However, owing to unforeseen circumstances, certain deficiencies have developed of such urgent nature, and requiring funds which must be available before the end of the fiscal year, as to preclude waiting for the regular deficiency bill which might not, and possibly will not, become law before July 1. Accordingly, we have gone through the estimates and screened out matters requiring immediate attention and have presented them in the pending bill.

You will observe in looking through the report that a large number of these deficiencies, and a large amount of the

money carried by this bill, is for veterans' activities or for expenditures necessitated by the World War. As a matter of fact, 77 percent of them are directly related to and incident to World War II and its aftermath. Appropriations providing for the Veterans' Administration, the Children's Bureau, liquidation of war agencies, tax refunds, cemeterial expenses, and similar items resulting from the war obviously are not subject to debate and must be immediately made available.

Seventeen percent of the remaining 23 percent is due to the postal service, most of which results from the recently enacted law increasing the pay of postal employees. The remainder ensues from the unusual burdens placed upon the service and which must be financed in order that it may carry on its work for the remainder of the fiscal year.

Then there are some minor items for the legislative branch of the Government, including deficiencies in the conduct of House affairs, deficiencies occasioned by House resolutions recently passed, requiring provision at this time without waiting for the regular deficiency bill.

There is very little, if any, controversial matter in this bill. We have a unanimous report upon the part of the subcommittee. I therefore hardly consider it worth while to take a great deal of the time of the House this late in the afternoon unless there is some particular item about which some member may wish to inquire.

The item which possibly will attract the most interest is one for which we received an estimate of \$50,000,000 for planning. The membership will recall that we initiated a program at the beginning of the Congress under which we advance to any sponsor—municipality, county, or State—the funds necessary to plan any sponsored project. I may say in passing that most of this is for sewage, waterworks, utilities, schools, school buildings, highways, and similar activities which are urgently needed by the local governmental units and for which we propose to loan the money to pay the expenses of their engineers, architects and designers in order that there may be systematically programed just what will be needed, when it will be needed, and how it will be needed.

This aid is not intended to cost the Federal Government a dime. It is intended that the sponsor will pay back to the Government the entire amount loaned. At the same time there is provided a needed service through which a community can plan far enough in advance to have a dependable plan in contrast with many community projects not well thought out, which later on have to be altered after construction has begun or where early planning was found inadequate.

Of course, as has been frequently explained, there is no inference here and no commitment of any kind under which the Government can be expected to advance any part of the cost of construction. A great many communities seem to have entertained the idea that following the war we would resume the lavish expenditure by the Government through grants and contributions to the States

and other sponsors; of matched money, for construction as in the old WPA days. Every care has been taken to disabuse the mind of anybody, of any idea that the Government ever expects to go into the WPA business again; and we want at this time to again serve notice, as we have repeatedly served notice in the past, that because we are here proposing to help plan these projects there is positive assurance that the Government will not advance funds for construction, and that we expect reimbursement of every Federal dollar loaned for planning.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New Jersey.

Mr. CANNON. Is it not true that these so-called advances by the Federal Government a local subdivisions of Government are really loans, on which there will be no interest, loans which have to be repaid when the contracts for these jobs are let?

Mr. CANNON of Missouri. The gentleman is correct. They are loans, without interest. Repayment must be made when construction begins.

It is gratifying to report, that up to this time there have been no defaults. No money has been lost and while some of our more pessimistic friends anticipated huge losses there has been up to this time no evidence upon which to base any such conclusion.

Mr. CANNON. May I also add that I think it is rather unfortunate that the authorizing act refers to these loans as advances because of the fact that whenever there is a release on the part of FWA the story goes out to the public that the money is being advanced for local planning. The inference is drawn by many laymen back home in our respective districts that the Federal Government is going to follow through with the actual construction. I think it most unfortunate that the basic law does not refer to these advances as loans, which they really are.

Mr. CANNON of Missouri. I am glad the gentleman has called attention to that fact. They are termed "advances," because that is the phraseology of the statute. The law under which these advances are made calls them advances, but the term "advance," as carried in the statute, refers both to advance provision for planning and advancing money for planning. So, as the gentleman very well says, there might be some misunderstanding, but there should not be here, where I think it is generally understood that this money is a loan and that it has to be repaid and that the Federal Government is making no contribution to the cost of construction.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. ARNOLD. If the bonds fail to carry, then the Government has lost its advance?

Mr. CANNON of Missouri. No. They are still bound to return the money if the construction is abandoned. We already have had instances in which projects were abandoned and the money returned. The community is responsible,

and when they accept this money they accept this responsibility.

Mr. D'EWARD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. D'EWARD. In the State of Montana, following the last war, we did not have adequate planning because we did not have funds such as this available. My State has taken advantage of this opportunity to plan public works of which a large backlog has accumulated during the war. It makes possible better plans for schools and other facilities that are needed in the State, and we have taken advantage to a large extent of this fund. I hope that this provision in this deficiency bill will be incorporated.

Montana's share of the funds currently appropriated for the planning program of the Federal Works Agency was \$160,500. It has been used already for a great variety of important projects, and there are additional applications on hand for \$134,750 in additional projects.

It is important that the majority of these projects are for water or sewer systems, or for educational facilities. These are worth-while projects which will be of great and lasting value to the communities, and are needed now to take care of the postwar expansion which has been experienced by most of our cities and towns.

Many of the projects cannot be completed now, of course, because of the critical shortages of materials and supplies. It is heartening, however, to observe the general community interests in such projects, and to know that we are building up a backlog of useful, constructive plans which can be put into operation in the future. I think the Federal Government is performing a needed and useful service in providing assistance for these plans.

In my congressional district we have sanitary and school projects at Terry, Fort Shaw, Wolf Point, Conrad, and Billings for which no funds are presently available. I hope that this item will receive favorable action so that plans for these projects may go ahead.

Mr. CANNON of Missouri. The gentleman calls attention to important advantages accruing from this legislation. During the course of the hearings an instance was cited by a member of the subcommittee, the gentleman from Michigan [Mr. RABAUT] in which a community built haphazardly, without definite plans, a number of school buildings. Later on, when they adopted a general plan, it was necessary to raze all of the buildings and completely to rebuild the entire system at great additional cost in order to have a practical system, all of which expense and disadvantage would have been avoided had a plan like this been available.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from West Virginia.

Mr. BAILEY. If the gentleman will permit me, I would like to compliment the subcommittee and the Committee on Appropriations for the excellent manner in which they have handled this matter.

Mr. CANNON of Missouri. I am glad to have the support of the gentleman who always recognizes not only good legislation when he sees it, but good service when rendered.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. CARNAHAN. This bill contains an appropriation to return the remains of members of the armed forces and other citizens and employees of the Government; is that right?

Mr. CANNON of Missouri. Yes. That is one of the appropriations incident to the war. The Government will, within the next 2 or 3 months, distribute questionnaires to all next of kin, which will offer four options: to leave their boys abroad in national cemeteries or abroad in other cemeteries, or return them home to national cemeteries or return them home for interment in their own family cemeteries. In the first three options the Government will pay all expenses. In the last, the Government will provide an escort of honor, a firing squad, a flag, and \$50 toward the expense of local burial.

Mr. CARNAHAN. Mr. Chairman, if the gentleman will yield further, is this fund to become available immediately?

Mr. CANNON of Missouri. Yes; this fund becomes available immediately. It is the first increment. The balance required will be provided at a later date and in a later bill.

Mr. CARNAHAN. I am heartily in accord with this figure. I just wanted to know if it was going to become available immediately.

Mr. CANNON of Missouri. Of course this matter must proceed gradually. All the boys cannot be brought back at once. This is sufficient to start operations and accomplish a great deal. The whole operation will require, it has been estimated, 2 years to complete. Eventually, however, every family will have the opportunity to make its choice.

Following the First World War some families preferred to leave their heroic dead where they fell. President Roosevelt's son was left where a generous enemy had provided burial with honors of war back of their lines. His grave is today one of the noted shrines of the French border. In widely scattered cemeteries in many parts of Europe the soldiers of the First World War sleep in beautifully appointed cemeteries under the perpetual care of their Government and on each hallowed spot the soil will remain American territory as long as time lasts.

We provide enough money in this bill to complete the emergency maternity and infant-care program for the remainder of this fiscal year, which must be continued until all commitments have been carried out, and which it is expected will be completed early in the next fiscal year.

The item of contractual authority for veterans' hospitals is for curing a situation brought about by changed economic conditions.

There are 76 hospitals previously appropriated for which cannot be built for the money remaining unobligated on their account, namely, \$331,452,814.

General Bradley has been canvassing the problem for several weeks. He has conferred with Vice Admiral Ben Moreell, Mr. Bert Reynolds, Commissioner of Public Buildings, with the Army engineers, and others, with the result that it is patent that if the hospitals are going to be built, we shall have to spend, in the aggregate, more than twice as much as called for by the estimates upon which the appropriations were based.

They do not need all of the cash at this time, but they must have an amount of cash and contractual authority combined sufficient to cover the whole cost for all projects if they are to be got under construction without further delay.

The bill will make that practicable.

The new pay-increase law applying to postal employees makes necessary an additional appropriation of \$79,661,100. That will cover the cost, together with \$2,751,894 on hand, for the period of the first half of the present calendar year.

We continue the availability of \$7,000,000 of community facilities funds for continuing aid to schools in areas where the war's impact is still felt. That is \$3,000,000 less than proposed. It seemed to use that the reduced amount should take care of all cases meriting Federal assistance.

There are a number of other items in the bill of a relatively minor character. All are enumerated in the comparative table at the end of the report.

As will be noted, the bill appropriates a total of \$661,520,810.89. In addition, it carries contractual authority of \$441,250,000. We have effected net reductions of \$14,679,800.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, I open my remarks to request the indulgence of the House to bear with me for a moment on a personal matter.

To one whose life as a father and a grandfather is for the most part surrounded by pulchritude, my relations in that respect consisting of one wife, five sisters, six daughters, two daughters-in-law, and three granddaughters, a great and significant change presents itself to our household in the automotive city by the announcement today of the designers, Lieutenant Vincent, and his charming wife, Virginia Macdonald Rabaut, of a new pink sport model with blue headlights, bird's-eye upholstery, water-cooled, with castor-oil lubrication, and full of squeaks.

Incidentally the arrival of my first grandson breaks a 25-year precedent in our household.

Mr. CANNON of Missouri. Mr. Chairman, this is indeed a notable occasion, and I desire to take advantage of the opportunity to congratulate this new scion of the house of Rabaut upon his great American heritage, his notable ancestry and especially his distinguished grandfather. It is evident that he is a young man of rare judgment and discriminating taste as indicated by his choice of parents and grandparents—and intimate friends here on the floor of the House. We trust that as he grows in stature he will likewise grow in knowledge, in wisdom and in fear of the Lord, and that he will carry on nobly the honored traditions of the great family he represents.

Mr. RABAUT. I thank the gentleman.

Mr. CANNON of Missouri. And, Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be permitted to extend ad libitum his remarks relative to this interesting and felicitous occasion.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER. Mr. Chairman, I should like to add my felicitations to Grandpa RABAUT. I wonder will Grandson Rabaut be as able a singer as grandpa? This bill represents a total of \$676,000,000. The substantial items outside of the Veterans' Bureau, which is \$416,000,000, are for the Post Office Department—\$114,000,000, representing \$79,000,000 for increased pay, and deficiencies of \$15,000,000 for clerks, and \$11,000,000 for carriers in city offices. For the proper burial and transfer of bodies of veterans of the late war there is provided \$92,500,000. The bodies may be properly buried abroad or they may be brought here, at the option of the families. Frankly, I do not like the project for Federal public works advance planning. I think it is a menace to this country. There are at present nearly \$1,200,000,000 of plans worked out and only \$16,000,000 of public works contracts under way. A very small percentage of that \$16,000,000 has been completed. As I understand, a very small percentage of the amounts that have been advanced have been paid back. There is no payment back unless a contract is entered into. With this kind of operation we will build up such a backlog of plans that the biggest part of these plans will be obsolete before contracts are entered into, and we will get nowhere and nothing will be done about it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. STEFAN. In my district there has been some apprehension about this planning program. Some of the people would like to know what happens to the funds that the Government advances or loans to communities for planning when those plans are not consummated. In other words, when the construction is not completed, what becomes of the money?

Mr. TABER. If the construction is embarked upon, as I understand it, they must pay. If the construction is not embarked upon, there is no obligation whatever on their part to pay.

Mr. STEFAN. Did the evidence adduced before your committee develop any loss to the Government up to this time for money advanced for planning which was not consummated?

Mr. TABER. There has been an enormous quantity of plans completed, but such a small percentage of the total of the plans have resulted in projects being started that one would not have an opportunity to judge anything of that kind or to say that the Government had suffered losses. They told us that where contracts had been entered into, in every case repayments had been made; but that would only be 1½ percent of the total on which funds have been advanced for planning. It would be such a small

percentage that one could not have any intelligent judgment on whether or not those things were going to pay out. I would not expect any substantial reimbursement.

Mr. STEFAN. Let me get this clear, if the gentleman will yield further. My community can apply to the Federal Works Administration for funds to plan a waterworks or some other construction, and the Federal Government advances funds for that planning, interest free. In other words, it does not advance it but it loans it this money interest free. If my community does not complete this project, by community does not have to repay this money, but if it starts construction it must repay, and that money is loaned to them interest free. But where the construction is not consummated they do not have to pay this money back to the Government which loaned them the money?

Mr. TABER. That is right.

Mr. STEFAN. How much has been advanced to various communities over the country for planning, the plans of which have not been consummated, and how much loss has that represented to the Federal Treasury?

Mr. TABER. No one would be able to say positively that there have been any losses so far. About \$30,000,000 have been allocated to these people, and, as I remember it, about \$30,000,000 has been paid out of the Treasury. Plans have been started involving local projects, totaling something like \$1,200,000,000. Of course, we all know that any of the plans that have been made at any time back of the last month will involve a great deal more money than actually has been estimated, because construction costs have gone up so fast. Out of that \$1,200,000,000 of planned projects, approximately \$16,000,000, as I understand it, have been let to contract. That would be $1\frac{1}{3}$ percent of the total. They told us that everything was paid back that had accrued. As long as the amount of contracts totals \$16,000,000, I would assume that the amount of money that had been paid back would be something like \$400,000. That would be the arithmetic of it, the way the thing would work out; but whether any more of it has become due or not I would not say. I do not believe we have reached the stage where we should say that any community would default upon it, there has been so little of it let to contract and so little of it could possibly result in activities along that line of construction with general conditions as they are in this country. Although I do not like this item, this amount was a compromise in the committee and I shall support the committee upon this item.

There was no other item in the bill that resulted in any controversy whatever. There are some items that were brought in below the Budget where it appeared it was possible to do so, but that was entirely with the agreement of the full committee.

I shall support the bill the way it stands. Mr. Chairman, I reserve the balance of my time.

Mr. CANNON of Missouri. Mr. Chairman, I yield myself 2 minutes. In view of the interest evinced by the gentleman

from Nebraska in the repayment of this money in the event of abandonment of a project, may I call attention to page 35 of the hearings. There it is not only indicated that acceptance of such funds involves an obligation to the Government to be repaid regardless of construction or nonconstruction, but that up to this time, all funds so advanced have as a matter of fact been repaid on all abandoned projects. It is not merely a matter of obligation, it is an historical fact, a matter of actual accomplishment. Up to this time all moneys advanced on abandoned projects have been repaid, as you will observe from the testimony on page 35 of the hearings.

Furthermore, as the gentleman from New Jersey [Mr. CANFIELD] well pointed out, this is a loan. Construction is not necessarily a condition precedent to payment, it is merely the fixing of a time at which repayment is expected.

It is also inferred that when construction is abandoned the money should be repaid. Up to this time the sponsors of all projects which have been abandoned have immediately repaid in full every cent of the money advanced.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. I have read the hearings very carefully, Mr. Chairman. I cannot find anything in the law which indicates that this money must be repaid on plans which are not consummated. I call attention to page 35 of the hearings, to the gentleman's questions under the heading of "Abandonment of projects":

Mr. CANNON. And you have lost no money on that account?

Mr. FIELD. We have lost no money on that account at all.

Mr. CANNON. This money is repayable on the beginning of construction?

Mr. FIELD. Yes, sir.

There is nothing I can find specifically regarding the repayment of the money loaned to communities for planning in case no construction has been had. Will the able chairman give us a little further information on that, in view of the fact that I have received considerable inquiry about this matter from my district.

Many people out there have felt that we had something here in Washington whereby they can get 100 percent grants for construction. I have continually replied to them that there is no bureau in our Federal Government that makes any grant whatsoever for construction but that we do have a program on community planning under the Federal Works Administration for which we are now appropriating additional funds.

I would like them to know definitely that these are not grants, that they are loans, as ably explained by the distinguished chairman of the Appropriations Committee. The thing that bothers some of the people back there is in cases where they make application for money to plan and because of the increase in the cost of construction or because they cannot get labor, they decide to abandon the project, and they inquire, Will we have to repay the Government the money

they loaned to us if we do not carry out the plans?

Mr. CANNON of Missouri. The gentleman discontinued reading too soon. Had he read on down to the next paragraph he would have noted that I asked the further question as to what would happen in the case of abandonment of the project, and the reply was, "It is an obligation that they owe to the Government which should be met." So that whether they build or do not build it is, in either event, an obligation.

Mr. STEFAN. I found that, and I thank the gentleman very much for the explanation. I did not find anything specifically in the law that would make it mandatory.

Mr. CANNON of Missouri. This is an interpretation by the agency administering the project.

As to the gentleman's statement that communities are expecting contributions for construction, there is no ground upon which any such impression can be based. It has been repeatedly stated on the floor here that any advancement of money for planning under this authorization in no way commits the Government to contributions or loans or other advancements for construction.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, tomorrow is Memorial Day. Wherever Americans gather in the world there will be memorial services. At Casino, on the Anzio beach, where Italian peasants are pruning the limbs from olive trees and cultivating fields of rye and buckwheat, they perhaps will wonder about the reverent words that will be spoken in those little cemeteries, perhaps not understanding until they make inquiry. Then some American will tell them that everywhere in the world this is Memorial Day.

Out in Saipan, at Tarawa and on Okinawa, barefoot natives will watch the procession to a little cemetery which is marked with white crosses, not comprehending what it is all about. They will be advised that this is the day when we enjoy the feast of remembrance with our hallowed dead.

Off in ancient Iran, which is such a center of controversy, the chill winds will blow down from the snowy peaks of the Elburz Mountains to caress the pansies and poppies that grow on those graves. It will be Memorial Day. I am inclined to remark about it very briefly because those hallowed dead will be brought home. This bill contains \$92,500,000 for the initiation of that program. They sleep peacefully now in some 356 cemeteries. They are scattered from one end of the world to the other. There is such a tremendous interest on the part of the kinsfolk back home as to the disposition of these young men who went abroad in this crusade of freedom. The War Department indicates that more than 112,000 letters have been received from families, from fathers, from mothers, from sweethearts, from wives, and from the next of kin back home. In the true American tradition there will be a choice in bringing them back. There will be the

choice of leaving them overseas to be interred in some private cemetery or in a national cemetery. There will be the choice of having them brought back to be interred in a private cemetery or in a national cemetery in this, their native, land. They will be brought back home through two ports: San Francisco for those who come back from the western theater, and New York for those who come back from the Middle East and from the European theater. From there they will go to 10 strategically locating distribution centers and then under escort sent back home where there will be the sweet agony once more of the wound reopened in the heart of a mother or father as the young dead come back to their native heath. That is in the best American tradition.

In World War I requests for the return of 61 percent of our heroes were received. I am advised that from letters received by the War Department more than 98 percent of the next of kin have indicated that they want the remains of those youngsters brought back to their native country. I allude to it because we are on the threshold of Memorial Day. Everywhere voices will be raised in revent tribute, and I can only hope that when that rather tripping phrase will come to the tongues of speakers in churches, in cemeteries, in schools, on rostrums everywhere, "that those honored dead shall not have died in vain," that it becomes something more than a trite and vacuous phrase. I hope that by policy, by conduct, by our action here in this deliberative body, we can prove to our fellow countrymen, to the memory of the holy dead, and to the world that we will carry on the purposes and objectives for which GI's died everywhere, and that their sacrifices will in truth and in fact not have been in vain. This becomes a solemn obligation as we prepare to observe the first Memorial Day since the termination of formal hostilities in a war that engulfed all mankind and threatened the very foundations of civilization.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I am not going to use all the time, but I rise to present a new problem which is presented to the pecan growers of the Southwest. At the present time a new pest has attacked the pecan groves throughout this section of the country. The Bureau of Plant Industry is very anxious to go into the areas where this pest has become evident and attack these trees which are now bearing fruit, and it is trying to work out some means of fighting and, perhaps, eliminating this pest.

Unfortunately, in the agricultural appropriation bill we passed a few weeks ago the amount of money allowed to the Bureau of Plant Industry for experimental purposes was reduced, and this agency tells me it is completely out of funds for this type of work. It has called on the farmers of my section of the Southwest, at least, to come forward and furnish to the experimental station the special type of machine or equipment which is needed in order that this agency

may further experiment in the fight against this new pest called the black-pecan aphid. So the farmers are now getting together and trying to raise the funds necessary to buy the machines in order that the experimental station, with its trained personnel, may be permitted to go ahead with its experiments and try to work out some method of extinguishing the pest.

The reason I rise at this time is not to offer an amendment. I think the gentlemen who compose this committee of the House are very able and very conscientious, and I have found them to be very fair-minded men. We are in a time when our problem is not increasing appropriations but cutting them down, and it is hard, painstaking, thankless work to cut down appropriations and bring our Government back to a condition of sound, businesslike economy. That is what this committee is doing, and it will continue, I am sure, to do a magnificent job in that respect.

If I had any doubt about the ability of this committee and its able chairman, that doubt would have been removed after I was permitted, as I was yesterday, the opportunity of reading a very able address by the chairman of the committee [Mr. CANNON] entitled "The Anvil Which Has Worn Out Many Hammers." I think the address was most timely and certainly appropriate to the occasion in the House. I commend the chairman on a most scholarly address.

Coming back to this problem, Mr. Chairman, I think our economy does go just a little bit too far when we cut down our experimental station to the point that it is not able to furnish itself the equipment necessary to experiment in the fight against pests which appear to attack our agricultural crops throughout the Nation. I think we are going just a trifle too far when, because of our desire for economy, we are compelled to call upon our farmers to furnish the equipment needed, which in this case is called a spray-duster, a peculiar type of spray-duster, which is needed in order to apply the poison to the pecan trees in the Southwest suffering from this pest.

I am presenting this today in order that the Department of Agriculture may know of the interest of myself and others who are interested in the pecan industry. The Louisiana Pecan Association has written me and has taken the matter up also with the Department of Agriculture. I want everyone to be acquainted with this problem, and I hope that within the near future the few thousand dollars necessary to fight this disease may be appropriated in the next deficiency bill.

Mr. TABER. Mr. Chairman, so that the House may have before it just what the picture is, I read subparagraph (c) of section 501 of title V of the George Act, under which this advance planning is done.

Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sum so repaid shall be recovered into the Treasury as miscellaneous receipts.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield,

Mr. CANNON of Missouri. Again, the gentleman has failed to read all of the enactment. Under section (d) the Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section. According to their interpretation, they hold that under this enactment the obligation exists whether the project is abandoned or not, as was stated to the subcommittee in the hearings.

Mr. TABER. I would say that there was no question in my mind that their regulation would not give them the authority to collect. I would not like to see the Congress operate on a basis that I do not believe is correct.

Mr. CANNON of Missouri. May I also say, Mr. Chairman, that the Administrator very well expressed the situation when he said that so far the attitude of the local communities and the State governments has been very fine and they have had no trouble over reimbursements whether the sponsors started the project or did not start it. We always got the money back.

Mr. Chairman, I ask unanimous consent that the bill be considered as read and that amendments to any section thereto now be in order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House without amendment with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, had directed him to report the bill back to the House without amendment with the recommendation that the bill do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question in the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

By motion of Mr. CANNON of Missouri, a motion to reconsider was laid on the table.

~~GENERAL LEAVE TO EXTEND REMARKS~~

~~Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have five legislative days in which to extend their remarks.~~

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks and include three newspaper articles.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in two instances in the Record and include newspaper editorials.

Mr. D'EWART asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

SPECIAL ORDER GRANTED

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 20 minutes on Friday.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

GRAND RIVER DAM AUTHORITY

Mr. STIGLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5508) to authorize the return of the Grand River Dam project to the Grand River Dam Authority and the adjustment and settlement of accounts between the authority and the United States, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. RIZLEY. Mr. Speaker, reserving the right to object, and I shall not object, as I understand the primary purpose of the gentleman's bill is to return to the State of Oklahoma the Grand River Dam, which belonged to the State of Oklahoma and which was taken over temporarily by the Government during the war emergency.

Mr. STIGLER. That is correct.

Mr. RIZLEY. And that is the purpose of the bill?

Mr. STIGLER. That is the only purpose of the bill. It only affects the State of Oklahoma.

Mr. RIZLEY. And no one is affected except the State of Oklahoma?

Mr. STIGLER. That is right.

Mr. SABATH. Mr. Speaker, reserving the right to object, I would like to know what this bill amounts to.

Mr. STIGLER. I may say that the State of Oklahoma in 1935, by act of its legislature, created what is known as the Grand River Dam Authority, to construct the Grand River Dam in Oklahoma. Later on, the Government assisted the State of Oklahoma by purchasing \$12,000,000 worth of bond to assist in the construction. Then, in 1941, after the emergency arose, the Federal Government took the dam over and operated it. The State of Oklahoma now would like to have the dam returned.

Mr. SABATH. How about the money the Government invested in it?

Mr. STIGLER. In bonds?

Mr. SABATH. Was it in bonds against the project?

Mr. STIGLER. Yes, sir.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed, notwithstanding the provisions of any other law, to adjust and settle, upon such basis as he may deem just and equitable, the accounts between the United States and the Grand River Dam Authority arising out of (a) the loan and grant agreement between the United States and the Grand River Dam Authority of October 16, 1937, as modified and extended; and (b) the taking of possession and control, and the occupation and use of the Grand River Dam project in Oklahoma under Executive Order No. 8944, dated November 19, 1941, and Executive Order No. 9373, dated August 30, 1943, and upon completion of or in connection with such adjustment and settlement to return to the Grand River Dam Authority possession and control of the properties and assets which were taken over by the United States under Executive Order No. 8944, so far as such properties and assets may still be held by the United States; and to convey and deliver to the Grand River Dam Authority, for cash, credit, bonds, or property, and upon such other terms as the Secretary of the Interior may deem proper, all right, title, and interest of the United States in and to all or any part of the improvements, additions, and facilities made or added to the Grand River Dam project by the United States during the period of Federal control thereof and such maps, drawings, and other records pertaining thereto as may be agreed upon by him and the Authority.

SEC. 2. In carrying out the authority conferred upon him under section 1 of this act, the Secretary, in accordance with such agreement as is made between him and the Authority, may—

(a) surrender for cancellation the 4 percent revenue bonds of the Authority, dated April 1, 1938, together with the unpaid interest coupons appertaining thereto, now held by the United States, and accept in lieu thereof new revenue bonds of the Authority of such description and cash in such amounts as the Secretary may determine: *Provided*, That such new bonds shall bear interest at a rate of not less than 2½ percent per annum, payable semiannually;

(b) cancel, modify, or treat as having been fulfilled the loan and grant agreement of October 16, 1937, as modified, and extended, and allow the Authority credit for all or such part of the grant provided for under such loan and grant agreement as he may determine, in his discretion, to be just and equitable;

(c) waive and relinquish on behalf of the United States all or such part of the matured interest installments and coupons or accrued interest on the Authority's bonds held by the United States that has matured or accrued during the period of Federal control of the Grand River Dam project as the Secretary may, in his discretion, determine to be just and equitable; and

(d) transfer or cause to be transferred by the appropriate disbursing officer to the Grand River Dam Authority all, or such part as the Secretary may in his discretion determine to be just and equitable, of the balance of funds remaining in the special trust account in the Treasury of the United States used by the United States for deposits and disbursements on account of the Grand River

Dam project during the period of Federal control thereof.

SEC. 3. In connection with and as a part of the adjustment and settlement authorized to be made by this act, the Secretary shall retain all lands or interests therein of the United States above elevation 750 feet mean sea level necessary or desirable for operation of the Grand River Dam project at a pool elevation of 755 feet above mean sea level at the Grand River Dam, and the Authority shall grant to the Secretary on behalf of the United States flowage rights on all lands or interests therein of the Authority above elevation 750 feet mean sea level which are necessary or desirable for such operation. Elevations herein stated are referred to the sea level datum in use at the time the Grand River Dam project was started, known as Grand River Dam datum, which is 1½ feet below the sea level datum now in use at said location.

SEC. 4. The Grand River Dam Authority shall not be required to pay any annual charges under its license issued by the Federal Power Commission for the operation of the project during the period of Federal control thereof.

SEC. 5. The authority and power conferred herein shall cease and terminate 30 days after approval of this act unless an adjustment and settlement shall have been agreed to by the Authority and the Secretary prior thereto.

WE WANT OUR DAM BACK

Mr. STIGLER. Mr. Speaker, H. R. 5508 now under consideration and introduced by me is a bill to authorize the return of the Grand River Dam project in Oklahoma from the Federal Government to the Grand River Dam Authority of Oklahoma and the adjustment and settlement of accounts between the Authority and the United States and for other purposes.

In order that there may not be any misunderstanding about this legislation, I would like to give a history of the same. The Grand River Dam Authority was created and organized under the provisions of article IV, chapter 70 of the sessions laws of 1935 of the State of Oklahoma, amended and supplemented—title 82, sections 861 to 881—to carry out the provisions and purposes set forth in said act, including the control, storage, preservation and distribution of the waters of the Grand River of Oklahoma and its tributaries for electric power and other useful purposes, the reclamation, irrigation of the arid and semi-arid and other lands needing irrigation, and the conservation and development of the forest waters and hydroelectric power of the State of Oklahoma.

The Government through the Federal Emergency Administration of Public Works, agreed to aid the Authority in financing the construction of the project on Grand River to provide water storage for the purpose of flood control and hydroelectric power development, together with hydroelectric generating plant and transmission lines, including the necessary equipment and acquisition of land and rights-of-way therefor, by making a grant to the Authority in the amount of 45 percent of the cost of the project upon completion. The original offer was made by the Government to the Authority on the 16th day of October 1937.

THIRD URGENT DEFICIENCY APPROPRIATION BILL, 1946

MAY 29, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6601]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The estimates of appropriations upon which the bill is based are contained in House Documents Nos. 550, 552-556, 569, 585, 589, 593, 597, 598, 605, 606, 609, 610, 611, and 614.

At the outset, the committee wishes to make it clear that it is presenting an urgent deficiency measure; not the general deficiency measure which it is customary to process in the closing days of a fiscal year. In getting ready for hearings on the latter, the committee met with a number of submissions calling for the availability of funds well before the end of June, and it is with propositions in such category that the accompanying measure deals.

The bill would appropriate a total of.....	\$661, 520, 810. 89
The supporting estimates aggregate.....	676, 200, 610. 89

The reduction effected is.....	14, 679, 800. 00
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A comparison by items of appropriation begins on page 6 hereof.

In addition to the proposed cash appropriations, the bill provides contractual authority in the amount of \$441,250,000 for building veterans' hospital and domiciliary facilities, hereinafter explained.

Included in the proposed cash appropriations is an item of \$825,000 under the Treasury Department, which, the committee is advised, will be taken out of the 1947 Treasury Department appropriation bill, now before the Senate Committee on Appropriations. The item shows as an increase over the estimates in the table accompanying this report, but it is supported by an estimate in the regular 1947 Budget.

Approximately 77 percent of the total of cash provided by the bill ensues from World War II, and is for the following objects:

Veterans' Administration:		
General expenses	\$59,000,000	
Printing and binding	740,000	
Penalty mail costs	916,000	
National service life insurance	356,000,000	
		\$416,656,000
Children's Bureau: Grants to States for emergency maternity and infant care (national defense)		1,974,000
Treasury Department (Bureau of Accounts):		
Liquidation of war agencies	\$75,400	
Tax refunds	825,000	
		900,400
War Department: Cemeterial expenses		92,500,000
Total		512,030,400

Of the remaining 23 percent, about 17 percent is on account of the postal service, and most of the remaining 6 percent is for public works advance planning in pursuance of title V of the War Mobilization and Reconversion Act of 1944. Of the amount for the postal service, \$79,661,100 ensues from Public Law 386, approved May 21, 1946, providing additional compensation for postmasters and employees of the postal service.

All of the amounts provided by the bill are needed for obligation or expenditure prior to June 30, 1946. Some are needed immediately; others by various dates up to the end of the fiscal year.

LEGISLATIVE BRANCH

The amounts in the bill for the House of Representatives, aggregating \$107,800, fall into three categories, namely, (1) actual or prospective deficiencies in certain contingent expense items (\$45,000), (2) implementation of recently adopted House resolutions (\$16,800), and (3) compensation of pages for the period July 1 to December 31, 1946. The last-named item is presented in the absence of definite information as to the course that will be pursued as regards sittings of the House over the remainder of the present Congress. It has been the practice to appropriate for the pay of pages on a continuous employment basis since July 1, 1943.

FEDERAL WORKS AGENCY

OFFICE OF COMMUNITY FACILITIES

Public works advance planning.—The committee proposes an additional appropriation of \$35,000,000, instead of \$50,000,000 as contained in the Budget estimate.

In consequence of title V of the War Mobilization and Reconversion Act of 1944, there has been made available for advance provision for the construction of public works (not including housing) by the States and other non-Federal public agencies, a total of \$30,000,000, the initial availability dating from May 3, 1945. As of April 30, 1946, \$29,066,169 of such appropriation had been apportioned and advances thereunder had been approved in the amount of \$25,896,626. The projects contemplated by such advances are estimated to cost \$1,084,864,000.

Advances between April 30 and July 1, 1946, will leave practically no funds for apportionment and hence advances. Applications for advances continue to run large and there are several hundred pending now from Nation-wide sources which cannot be approved for lack of funds.

The program has met with wide approval and is having the desired effect of building up a backlog of useful and needful public-works projects with which the planning agencies may proceed, subject to the availability of their own funds, as and when men and materials become available. It is worthy of note that the great bulk of the projects being planned are for sewers, water, and sanitation facilities, and for schools and other educational facilities—improvements which will be sorely needed as a result of the present concentration upon housing construction.

The amount proposed, while less than requested, will provide for planning over the next 12-month period at a rate at least approximating the rate permissible under the funds heretofore made available, and should provide plans for public works with a total cost of about \$1,100,000,000.

Maintenance and operation of schools.—The committee recommends the continued availability of \$7,000,000 for the fiscal year 1947. The estimate considered by the committee proposes \$10,000,000. During the actual war period changed populations induced school situations which local communities were unprepared to meet, financially or otherwise. In consequence, the Government rendered aid practically wherever the war occasioned an added load. There continues the war impact upon various communities and, therefore, there continues the responsibility on the part of the Government to continue assistance until, at least, there has occurred a nearer approach to peacetime conditions.

The estimate considered by the committee assumes the need to provide aid for 250 schools, contrasted with 339 the present fiscal year. The committee feels that the number requiring Federal aid should diminish more rapidly than the estimate contemplates and should disappear completely before the ensuing fiscal year ends. That is why it is proposing a lesser amount by \$3,000,000 than the estimate presented by the President. Authority for the activity is contained in H. R. 5796, which passed the House on April 15, 1946, and was reported to the Senate on May 20.

Liquidation of war public works (community facilities).—No additional appropriation is involved. The Budget estimate proposes that \$1,350,000 of previously appropriated funds be made available for all administrative expenses necessary during the fiscal year 1947 for the liquidation of all activities under titles II, III, and IV of the Lanham

Act, as amended, except the school aid program for which the bill provides.

The committee is recommending a reduction of \$350,000 in the amount of the estimate, because it is not satisfied that personnel engaged in liquidation work need be maintained in the numbers or carried as long as the estimate contemplates. It has in mind, also, turning over to the liquidation unit in the Treasury Department any matters remaining unsettled at the end of the ensuing fiscal year.

VETERANS' ADMINISTRATION

The items under this head involving additional appropriations are listed in the forepart of this report. They aggregate \$416,656,000 and are made necessary by the rapidly growing demands consequent upon demobilization. It is next to impossible for the Administration to predict the extent of disbursements it will be called upon to make.

HOSPITAL AND DOMICILIARY FACILITIES

The bill includes contractual authority in the amount of \$441,250,000 for the provision of hospital and domiciliary facilities heretofore appropriated for, but which cannot be proceeded with en bloc because the appropriations have turned out to be far below the total amount it now appears the projects will cost. There is available on account of such facilities of appropriations made for the fiscal years 1944 to 1947, both inclusive, \$331,452,814. That amount has been provided in lump-sum increments, based upon project-cost estimates, and it is now reported that it will not half do the job.

The proposed contractual authority raises the obligational availability to \$772,702,814, in which is a contingent margin of \$100,000,000, which may be excessive but which is recommended for approval in order that there may be no further delay in getting all of these essential facilities under contract and under construction. There are 76 new hospitals involved, intended to provide 38,709 beds.

Identification of the proposed establishments has been made in the hearings on earlier appropriation bills, but a consolidated listing is included in the hearings on the accompanying measure beginning on page 111.

The bill provides, pursuant to a Budget recommendation, for raising the existing ceiling of 3 percent upon expenditures for administering the appropriation, "Hospital and domiciliary facilities." The new ceiling proposed is 6.7 percent, except when other Federal agencies or outside services may be utilized, when the ceiling would be 10 percent. In the past, the 3 percent provided for technical services has been adequate due to the repetitive nature of much of the construction work. To keep abreast of the advances in medical science, it has been necessary to develop new criteria for hospitals. Because of the rapid expansion of the construction program and the importance of expediting its completion, it has become necessary to employ the United States Army Corps of Engineers and private firms of architects for a considerable portion of the work. For these reasons the former 3-percent limitation is reported to be inadequate.

DEPARTMENT OF LABOR—CHILDREN'S BUREAU

There were appropriated for the current fiscal year \$44,189,500 for grants to States for emergency maternity and infant care. That amount later was reduced, pursuant to a Budget recommendation, by \$8,113,600. It develops that needs were underestimated, and that there is a requirement for \$1,974,000 of the amount rescinded. Such amount is \$174,800 less than the amount named in House Document 554, but has been indicated by the Department to be adequate.

POST OFFICE DEPARTMENT

The committee is recommending additional amounts under a number of appropriations for the postal service, amounting in the aggregate to \$34,426,000. They are needed to take care of usual expenses in the conduct of the postal service, as indicated in the footnotes on page 3 of the hearings.

Apart from the foregoing, as previously reported herein, the bill includes \$79,661,100 for increased compensation for postmasters and employees of the postal service for the period January 1 to June 30, 1946, authorized by Public Law 386, approved May 21, 1946. In addition to such amount, there will be a further charge for the period stated of \$2,751,894, which will be absorbed.

WAR DEPARTMENT—CIVIL FUNCTIONS

Cemeterial expenses.—The bill includes an initial appropriation of \$92,500,000 for carrying out the provisions of Public Law 383, approved May 16, 1946, for evacuating and returning to their homeland the remains of members of the armed forces and certain citizens and employees of the United States. The whole undertaking is expected to cost approximately \$200,000,000. Surplus Army property will be availed of to the extent practicable and may lessen the amount of future appropriations by as much as \$19,000,000.

United States Soldiers' Home.—The committee has withheld approval of two proposals touching the local Soldiers' Home. One, involving \$50,000, is for removing certain so-called fire hazards which have existed time out of mind, and the other, involving \$275,000, is for advance planning for adding to the accommodations of the establishment. The committee is not impressed with the immediate necessity of either.

THE JUDICIARY

The committee has made a reduction of \$10,000 in the estimate of \$20,000 for miscellaneous salaries, 1946. Such reduction applies to an amount requested for payment of terminal leave to judges' employees. Since the presentation of the estimate the Comptroller General has rendered an opinion to the Director, Administrative Office of the United States Courts, under the terms of which such payment would not be authorized.

THIRD URGENT DEFICIENCY APPROPRIATION BILL, 1946

Comparative statement of the amounts of the Budget estimates and of the amounts recommended to be appropriated by the bill

[The year indicated after each item denotes the fiscal year]

H. Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (-); bill compared with Budget estimate
	LEGISLATIVE			
	House of Representatives:			
609	Clerk's office, salaries, 1947	\$14, 400. 00	\$14, 400. 00	-----
609	Committee employees, 1947	2, 400. 00	2, 400. 00	-----
605	Doorkeeper's office, salaries, 1947	46, 000. 00	46, 000. 00	-----
	Contingent expenses:			
605	Reporting hearings, 1946	5, 000. 00	5, 000. 00	-----
605	Telegraph and telephones, 1946	25, 000. 00	25, 000. 00	-----
605	Folding documents, 1946	15, 000. 00	15, 000. 00	-----
	Total, House of Representatives	107, 800. 00	107, 800. 00	-----
	INDEPENDENT EXECUTIVE AGENCIES			
553	Federal Power Commission: Penalty mail costs, 1946	1, 000. 00	1, 000. 00	-----
	Federal Works Agency:			
	Office of Community Facilities:			
589	Public works advance planning, 1946	50, 000, 000. 00	35, 000, 000. 00	-\$15, 000, 000. 00

Comparative statement of the amounts of the Budget estimates and of the amounts recommended to be appropriated by the bill—
Continued

H. Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with Budget estimate
	DEPARTMENT OF JUSTICE			
	Salaries:			
606	Administrative Division, 1946-----	\$7,500. 00	\$7,500. 00	-----
550	Tax Division, 1946-----	9,000. 00	9,000. 00	-----
550	Criminal Division, 1946-----	20,000. 00	20,000. 00	-----
550	Assistant Solicitor General's Office, 1946-----	10,210. 00	10,210. 00	-----
550	Pardon attorney's office, 1946-----	392. 00	392. 00	-----
550	Printing and binding, 1946-----	100,000. 00	75,000. 00	-\$25,000. 00
550	Lands Division, 1942-----	408. 89	408. 89	-----
550	Fees of witnesses, 1946-----	63,500. 00	63,500. 00	-----
550	Pay and expenses of bailiffs, 1946-----	20,000. 00	20,000. 00	-----
	Total, Department of Justice-----	231,010. 89	206,010. 89	-25,000. 00
	DEPARTMENT OF LABOR			
554	Children's Bureau: Grants to States for emergency maternity and infant care (national defense), 1946-----	2,148,800. 00	1,974,000. 00	-174,800. 00
	POST OFFICE DEPARTMENT			
555	Office of Postmaster General: Adjusted losses and contingencies, 1946-----	10,000. 00	10,000. 00	-----

555	First Assistant Postmaster General:			
	Postmasters, 1946	2, 156, 000. 00	2, 156, 000. 00	
555	Assistant postmasters, 1946	325, 000. 00	325, 000. 00	
555	Clerks, first- and second-class post offices, 1946	15, 800, 000. 00	15, 800, 000. 00	
555	Miscellaneous items, first- and second-class post offices, 1946	68, 000. 00	68, 000. 00	
555	Carfare and bicycle allowance, 1946	60, 000. 00	60, 000. 00	
555	City delivery carriers, 1946	11, 000, 000. 00	11, 000, 000. 00	
	Second Assistant Postmaster General:			
555	Star-route service, 1946	810, 000. 00	810, 000. 00	
555	Railroad routes and mail-messenger service, 1946	1, 000, 000. 00	1, 000, 000. 00	
555	Railway mail service	1, 683, 000. 00	1, 683, 000. 00	
	Fourth Assistant Postmaster General:			
555	Rent, light, etc., 1946	500, 000. 00	500, 000. 00	
555	Pneumatic tube service (New York), 1946	14, 300. 00	14, 300. 00	
555	Transportation of equipment, 1946	187, 500. 00	187, 500. 00	
	Public buildings, maintenance and operation:			
555	Operating force, 1946	700, 000. 00	700, 000. 00	
555	Operating supplies, 1946	112, 200. 00	112, 200. 00	
610	Increased pay costs, 1946	79, 661, 100. 00	79, 661, 100. 00	
	Total, Post Office Department	114, 087, 100. 00	114, 087, 100. 00	

Comparative statement of the amounts of the Budget estimates and of the amounts recommended to be appropriated by the bill—
Continued

H. Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimate
	TREASURY DEPARTMENT			
	Bureau of Accounts:			
598	Salaries and expenses, 1946-----	\$45, 400. 00	\$75, 400. 00	+ \$30, 000. 00
	Division of disbursement, 1946-----	(⁹)	\$25, 000. 00	+ \$25, 000. 00
	Total, Treasury Department-----	45, 400. 00	900, 400. 00	+ \$855, 000. 00
	WAR DEPARTMENT			
597	Civil functions: Cemeterial expenses, 1946-----	92, 500, 000. 00	92, 500, 000 00	-----
	United States Soldiers' Home:			
569	Maintenance and operation, 1946-----	50, 000. 00	-----	--50, 000. 00
585	Plans and specifications, 1946-----	275, 000. 00	-----	--275, 000. 00
	Total, War Department, civil functions-----	92, 825, 000. 00	92, 500, 000. 00	--325, 000. 00
	THE JUDICIARY			
552	Probation system, 1946-----	20, 000. 00	20, 000. 00	-----
552	Miscellaneous salaries, 1946-----	20, 000. 00	10, 000. 00	--10, 000. 00

Union Calendar No. 636

79TH CONGRESS
2^D SESSION

H. R. 6601

[Report No. 2159]

IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1946

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, to
5 supply deficiencies in certain appropriations for the fiscal
6 year ending June 30, 1946, and for prior fiscal years, to

1 provide supplemental appropriations for the fiscal year
2 ending June 30, 1946, and for other purposes, namely:

3 TITLE I—GENERAL APPROPRIATIONS

4 LEGISLATIVE

5 HOUSE OF REPRESENTATIVES

6 OFFICE OF THE CLERK

7 Salaries: For the employment of eight additional tele-
8 phone operators at the basic rate of \$1,800 per annum each
9 (authorized by House Resolution Numbered 628, adopted
10 May 21, 1946), fiscal year 1947, \$14,400.

11 COMMITTEE EMPLOYEES

12 Stenographer, Committee on Expenditures in the Execu-
13 tive Departments, at the rate of \$2,400 per annum, fiscal
14 year 1947, \$2,400.

15 OFFICE OF DOORKEEPER

16 Salaries: For payment of fifty pages, including ten
17 pages for duty at the entrances to the Hall of the House,
18 from July 1 to December 31, 1946, both dates inclusive,
19 at \$5 per day each, fiscal year 1947, \$46,000.

20 CONTINGENT EXPENSES OF THE HOUSE

21 Reporting hearings: For an additional amount for steno-
22 graphic reports of hearings of committees other than special
23 and select committees, fiscal year 1946, \$5,000.

24 Telegraph and telephones: For an additional amount

1 for telegraph and telephone service, exclusive of personnel
2 services, fiscal year 1946, \$25,000.

3 Folding documents: For an additional amount for fold-
4 ing speeches and pamphlets at a rate not to exceed \$1 per
5 thousand or for the employment of personnel at a rate not
6 exceeding \$5.20 per day per person, fiscal year 1946, and
7 to remain available until June 30, 1947, \$15,000.

8 INDEPENDENT OFFICES

9 FEDERAL POWER COMMISSION

10 Penalty mail costs: For an additional amount, fiscal
11 year 1946, for deposit in the general fund of the Treasury
12 for cost of penalty mail of the Federal Power Commission,
13 \$1,000.

14 FEDERAL WORKS AGENCY

15 BUREAU OF COMMUNITY FACILITIES

16 Public works advance planning: For an additional
17 amount for "Public works advance planning", \$35,000,000,
18 which together with the appropriations for this purpose in
19 the Independent Offices Appropriation Act, 1946, and the
20 First Deficiency Appropriation Act, 1946, shall remain
21 available until June 30, 1947, of which total amount not
22 to exceed \$1,183,000 shall be available for administrative
23 expenses during fiscal year 1947, including objects specified
24 under this head in said Independent Offices Act.

1 Maintenance and operation of schools: For carrying
2 out the provisions of "An Act to expedite the provision of
3 housing in connection with national defense, approved
4 October 14, 1940, as amended, to permit the making of
5 contributions, during the fiscal year ending June 30, 1947,
6 for the maintenance and operation of certain school facilities,
7 and for other purposes" (H. R. 5796, Seventy-ninth Con-
8 gress), not to exceed \$7,000,000 of the unobligated bal-
9 ances of the funds heretofore appropriated for carrying out
10 the provisions of titles II and III of the Act of October
11 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541)
12 to remain available until June 30, 1947, of which amount
13 not to exceed \$280,000 shall be available for administrative
14 expenses, including the objects specified under the head
15 "Defense public works (community facilities)" in the Second
16 Deficiency Appropriation Act, 1941, and the joint resolu-
17 tion approved December 23, 1941 (Public Law 371).

18 War public works (community facilities) liquidation:
19 For all administrative expenses necessary during the fiscal
20 year 1947 for the liquidation of all activities under titles II,
21 III, and IV of the Act of October 14, 1940, as amended
22 (42 U. S. C. 1531-1534, 1541, and 1562), except those
23 under the appropriation "Maintenance and operation of
24 schools", not to exceed \$1,000,000 of the unobligated bal-
25 ances of the funds heretofore appropriated for carrying out

1 the provisions of titles II, III, and IV of the Act of October
2 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and
3 1562), including personal services and rents in the District
4 of Columbia and elsewhere; printing and binding; operation
5 and maintenance of passenger automobiles; of which amount
6 \$150,000 shall be for payment for accumulated and accrued
7 leave of employees separated from the Government service
8 due to said liquidation.

9 OFFICE OF DEFENSE TRANSPORTATION

10 Salaries and expenses: The limitation under the head
11 "Office of Defense Transportation" on the amount available
12 for printing and binding fixed at \$14,000 by the First
13 Supplemental Surplus Appropriation Rescission Act, 1946,
14 is hereby increased to \$20,000.

15 VETERANS' ADMINISTRATION

16 Administration, medical, hospital, and domiciliary serv-
17 ices: For an additional amount, fiscal year 1946, for "Admin-
18 istration, medical, hospital, and domiciliary services", includ-
19 ing the objects specified under this head in the Independent
20 Offices Appropriation Act, 1946, \$59,000,000.

21 Printing and binding: For an additional amount, fiscal
22 year 1946, for printing and binding for the Veterans'
23 Administration, \$740,000.

24 Penalty mail costs: For an additional amount, fiscal
25 year 1946, for deposit in the general fund of the Treasury

1 for cost of penalty mail of the Veterans' Administration,
2 \$916,000.

3 National service life insurance: For an additional amount,
4 fiscal year 1946, for "National service life insurance", in-
5 cluding the objects specified under this head in the Inde-
6 pendent Offices Appropriation Act, 1946, \$356,000,000, to
7 remain available until expended.

8 Hospital and domiciliary facilities: For proceed-
9 ing with the provision of those hospital and domiciliary
10 facilities on account of which appropriations heretofore
11 made remain unobligated, in addition to such appropriations
12 remaining unobligated the Administrator of Veterans' Af-
13 fairs may, prior to July 1, 1947, enter into contracts and
14 incur obligations to an amount not in excess of \$441,250,-
15 000: *Provided*, That not to exceed 6.7 per centum of
16 unobligated balances of appropriations under this head for
17 the fiscal year 1947 and prior fiscal years shall be avail-
18 able for the employment in the District of Columbia and in
19 the field of all necessary technical and clerical personnel
20 for the preparation of plans and specifications for the projects
21 as approved hereunder and in the supervision of the exe-
22 cution thereof, and for all traveling expenses, field office
23 equipment, and supplies in connection therewith, except that
24 whenever the Veterans' Administration finds it necessary
25 in the construction of any project to employ other Govern-

1 ment agencies or persons outside the Federal service to
 2 perform such services not to exceed 10 per centum of the
 3 cost of such project may be expended for such services.

4 DEPARTMENT OF JUSTICE

5 LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

6 For additional amounts, fiscal year 1946, for personal
 7 services, as follows:

8 Administrative Division, \$7,500;

9 Tax Division, \$9,000;

10 Criminal Division, \$20,000;

11 Office of the Assistant Solicitor General, \$10,210;

12 Office of Pardon Attorney, \$392.

13 Printing and binding: For an additional amount, fiscal
 14 year 1946, for "Printing and binding", \$75,000.

15 Salaries and expenses, Lands Division: For an additional
 16 amount, fiscal year 1942, for "Salaries and expenses, Lands
 17 Division", including the objects specified under this head
 18 in the Department of Justice Appropriation Act, 1942,
 19 \$408.89.

20 Fees of witnesses: For an additional amount, fiscal year
 21 1946, for "Fees of witnesses", including the objects speci-
 22 fied under this head in the Department of Justice Approp-
 23 riation Act, 1946, \$63,500: *Provided*, That the limitation
 24 on the amount which may be expended for compensation
 25 and expenses of witnesses or informants authorized or ap-

1 proved by the Attorney General is hereby increased from
2 \$25,000 to \$50,000.

3 Pay and expenses of bailiffs: For an additional amount,
4 fiscal year 1946, for "Pay and expenses of bailiffs", includ-
5 ing the objects specified under this head in the Department
6 of Justice Appropriation Act, 1946, \$20,000.

7 DEPARTMENT OF LABOR

8 CHILDREN'S BUREAU

9 Grants to States for emergency maternity and infant
10 care (national defense): For an additional amount, fiscal
11 year 1946, for "Grants to States for emergency maternity
12 and infant care (national defense)", including the objects
13 specified under this head in the Department of Labor
14 Appropriation Act, 1946, \$1,974,000.

15 POST OFFICE DEPARTMENT

16 (Out of the postal revenues)

17 FIELD SERVICE, POST OFFICE DEPARTMENT

18 For additional amounts, fiscal year 1946, for appropria-
19 tions of the Post Office Department, including the objects
20 specified in the Post Office Department Appropriation Act,
21 1946, under each head respectively, as follows:

22 OFFICE OF THE POSTMASTER GENERAL

23 Adjusted losses and contingencies, \$10,000;

24 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

25 Compensation to postmasters, \$2,156,000;

1 Compensation to assistant postmasters, \$325,000;

2 Clerks, first- and second-class post offices, \$15,800,000;

3 Miscellaneous items, first- and second-class post offices,

4 \$68,000;

5 Carfare and bicycle allowance, \$60,000;

6 City delivery carriers, \$11,000,000;

7 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

8 Star-route service, \$810,000;

9 Railroad transportation and mail messenger service,

10 \$1,000,000;

11 Railway Mail Service, \$1,683,000;

12 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

13 Rent, light, power, fuel, and water, \$500,000;

14 Pneumatic-tube service, New York City, \$14,300;

15 Transportation of equipment and supplies \$187,500;

16 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

17 Operating force, \$700,000;

18 Operating supplies, public buildings, \$112,200.

19 INCREASED PAY COSTS

20 For payment of increased pay costs for the period Janu-

21 ary 1, 1946, to June 30, 1946, as authorized by the Act

22 of May 21, 1946 (Public Law 386), \$79,661,100, to be

23 apportioned as indicated in House Document Numbered 610,

24 Seventy-ninth Congress.

TREASURY DEPARTMENT

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For an additional amount for salaries and expenses, Bureau of Accounts, fiscal year 1947, including the objects specified under this head in the Treasury Department Appropriation Act, 1947, for obligations (including payment of accrued annual leave) incurred by and the liquidation of War Agencies placed in liquidation during the fiscal year 1946, \$75,400, of which \$30,000 shall be immediately available.

Division of Disbursement, salaries and expenses: For an additional amount, fiscal year 1946, for salaries and expenses, Division of Disbursement, \$825,000.

WAR DEPARTMENT—CIVIL FUNCTIONS

CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

For all expenses necessary, not otherwise provided for, to enable the Secretary of War to carry out his responsibilities in connection with evacuation and return to their homeland of the remains of members of the armed forces and certain citizens and employees of the United States as authorized by the Act of May 16, 1946, Public Law Numbered 383, including funeral and burial expenses or payment of allowances in lieu thereof; personal services at the seat of government (not to exceed \$1,350,000) and else-

1 where; construction of buildings and facilities; acquisition of
2 real estate or interests therein; purchase, operation, maintenance,
3 nance, and repair of passenger automobiles; printing and
4 binding; settlement of claims incident to and resulting from
5 activities pursuant to said Act in accordance with the Act
6 approved July 3, 1943 (31 U. S. C. 223b); and communication
7 and other services and supplies at the seat of
8 government or elsewhere; \$92,500,000, to remain available
9 until expended: *Provided*, That the Secretary of War is
10 authorized to furnish, without reimbursement, supplies and
11 equipment in excess of the needs of the Military Establishment
12 and to make available existing facilities of the Military
13 Establishment to the fullest extent possible for the accomplishment
14 of the objects provided for herein: *Provided further*, That expenditures
15 from this appropriation may be made when necessary to carry out its
16 purpose without regard to sections 355, 1136, 3648, 3709, and 3734, Revised
17 Statutes, as amended, or civil service and classification
18 laws.

20 THE JUDICIARY

21 MISCELLANEOUS ITEMS OF EXPENSE

22 Probation system, United States courts: For an additional
23 amount, fiscal year 1946, for "Probation system,
24 United States Courts", \$20,000.

1 Miscellaneous salaries: For an additional amount, fiscal
2 year 1946, for "Miscellaneous salaries", \$10,000.

3 Salaries, court reporters: For an additional amount,
4 fiscal year 1946, for "Salaries, court reporters", \$58,500.

5 TITLE II—GENERAL PROVISIONS

6 SEC. 201. No part of any appropriation contained in
7 this Act shall be used to pay the salary or wages of any
8 person who advocates, or who is a member of an organiza-
9 tion that advocates the overthrow of the Government of
10 the United States by force or violence: *Provided*, That for
11 the purposes hereof an affidavit shall be considered prima
12 facie evidence that the person making the affidavit does not
13 advocate, and is not a member of an organization that
14 advocates, the overthrow of the Government of the United
15 States by force or violence: *Provided further*, That any per-
16 son who advocates, or who is a member of an organization
17 that advocates, the overthrow of the Government of the
18 United States by force or violence and accepts employment
19 the salary or wages for which are paid from any appropria-
20 tion contained in this Act shall be guilty of a felony and,
21 upon conviction, shall be fined not more than \$1,000 or
22 imprisoned for not more than one year, or both: *Provided*
23 *further*, That the above penal clause shall be in addition to,
24 and not in substitution for, any other provision of existing
25 law.

1 SEC. 202. The appropriations and authority with respect
2 to appropriations contained in any regular annual appropria-
3 tion Act for the fiscal year 1947, not a law on July 1, 1946,
4 shall be available from and including July 1, 1946, for the
5 purposes respectively provided in such appropriations and
6 authority. All obligations incurred during the period be-
7 tween June 30, 1946, and the date of enactment of such
8 appropriation Acts as may not have been enacted on or
9 before July 1, 1946, in anticipation of such appropriations
10 and authority are hereby ratified and confirmed if in accord-
11 ance with the terms thereof.

12 SEC. 203. This act may be cited as the "Third Urgent
13 Deficiency Appropriation Act, 1946".

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INDEX

AGENCY	Page
Legislative: House of Representatives-----	2
Independent executive agencies:	
Federal Power Commission-----	3
Federal Works Agency-----	3
Office of Defense Transportation-----	5
Veterans' Administration-----	5
Executive Departments:	
Justice-----	7
Labor-----	8
Post Office-----	8
Treasury-----	10
War: Civil functions-----	10
The Judiciary-----	11

A BILL

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

By Mr. CANNON of Missouri.

MAY 29, 1946

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

79TH CONGRESS
2^D SESSION

H. R. 6601

IN THE SENATE OF THE UNITED STATES

MAY 31 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, to
5 supply deficiencies in certain appropriations for the fiscal
6 year ending June 30, 1946, and for prior fiscal years, to
7 provide supplemental appropriations for the fiscal year
8 ending June 30, 1946, and for other purposes, namely:

1 TITLE I—GENERAL APPROPRIATIONS

2 LEGISLATIVE

3 HOUSE OF REPRESENTATIVES

4 OFFICE OF THE CLERK

5 Salaries: For the employment of eight additional tele-
6 phone operators at the basic rate of \$1,800 per annum each
7 (authorized by House Resolution Numbered 628, adopted
8 May 21, 1946), fiscal year 1947, \$14,400.

9 COMMITTEE EMPLOYEES

10 Stenographer, Committee on Expenditures in the Execu-
11 tive Departments, at the rate of \$2,400 per annum, fiscal
12 year 1947, \$2,400.

13 OFFICE OF DOORKEEPER

14 Salaries: For payment of fifty pages, including ten
15 pages for duty at the entrances to the Hall of the House,
16 from July 1 to December 31, 1946, both dates inclusive,
17 at \$5 per day each, fiscal year 1947, \$46,000.

18 CONTINGENT EXPENSES OF THE HOUSE

19 Reporting hearings: For an additional amount for steno-
20 graphic reports of hearings of committees other than special
21 and select committees, fiscal year 1946, \$5,000.

22 Telegraph and telephones: For an additional amount
23 for telegraph and telephone service, exclusive of personnel
24 services, fiscal year 1946, \$25,000.

25 Folding documents: For an additional amount for fold-

1 ing speeches and pamphlets at a rate not to exceed \$1 per
2 thousand or for the employment of personnel at a rate not
3 exceeding \$5.20 per day per person, fiscal year 1946, and
4 to remain available until June 30, 1947, \$15,000.

5 INDEPENDENT OFFICES

6 FEDERAL POWER COMMISSION

7 Penalty mail costs: For an additional amount, fiscal
8 year 1946, for deposit in the general fund of the Treasury
9 for cost of penalty mail of the Federal Power Commission,
10 \$1,000.

11 FEDERAL WORKS AGENCY

12 BUREAU OF COMMUNITY FACILITIES

13 Public works advance planning: For an additional
14 amount for "Public works advance planning", \$35,000,000,
15 which together with the appropriations for this purpose in
16 the Independent Offices Appropriation Act, 1946, and the
17 First Deficiency Appropriation Act, 1946, shall remain
18 available until June 30, 1947, of which total amount not
19 to exceed \$1,183,000 shall be available for administrative
20 expenses during fiscal year 1947, including objects specified
21 under this head in said Independent Offices Act.

22 Maintenance and operation of schools: For carrying
23 out the provisions of "An Act to expedite the provision of
24 housing in connection with national defense, approved
25 October 14, 1940, as amended, to permit the making of

1 contributions, during the fiscal year ending June 30, 1947,
2 for the maintenance and operation of certain school facilities,
3 and for other purposes" (H. R. 5796, Seventy-ninth Con-
4 gress), not to exceed \$7,000,000 of the unobligated bal-
5 ances of the funds heretofore appropriated for carrying out
6 the provisions of titles II and III of the Act of October
7 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541)
8 to remain available until June 30, 1947, of which amount
9 not to exceed \$280,000 shall be available for administrative
10 expenses, including the objects specified under the head
11 "Defense public works (community facilities)" in the Second
12 Deficiency Appropriation Act, 1941, and the joint resolu-
13 tion approved December 23, 1941 (Public Law 371).

14 War public works (community facilities) liquidation:
15 For all administrative expenses necessary during the fiscal
16 year 1947 for the liquidation of all activities under titles II,
17 III, and IV of the Act of October 14, 1940, as amended
18 (42 U. S. C. 1531-1534, 1541, and 1562), except those
19 under the appropriation "Maintenance and operation of
20 schools", not to exceed \$1,000,000 of the unobligated bal-
21 ances of the funds heretofore appropriated for carrying out
22 the provisions of titles II, III, and IV of the Act of October
23 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and
24 1562), including personal services and rents in the District
25 of Columbia and elsewhere; printing and binding; operation

1 and maintenance of passenger automobiles; of which amount
2 \$150,000 shall be for payment for accumulated and accrued
3 leave of employees separated from the Government service
4 due to said liquidation.

5 OFFICE OF DEFENSE TRANSPORTATION

6 Salaries and expenses: The limitation under the head
7 "Office of Defense Transportation" on the amount available
8 for printing and binding fixed at \$14,000 by the First
9 Supplemental Surplus Appropriation Rescission Act, 1946,
10 is hereby increased to \$20,000.

11 VETERANS' ADMINISTRATION

12 Administration, medical, hospital, and domiciliary serv-
13 ices: For an additional amount, fiscal year 1946, for "Admin-
14 istration, medical, hospital, and domiciliary services", includ-
15 ing the objects specified under this head in the Independent
16 Offices Appropriation Act, 1946, \$59,000,000.

17 Printing and binding: For an additional amount, fiscal
18 year 1946, for printing and binding for the Veterans'
19 Administration, \$740,000.

20 Penalty mail costs: For an additional amount, fiscal
21 year 1946, for deposit in the general fund of the Treasury
22 for cost of penalty mail of the Veterans' Administration,
23 \$916,000.

24 National service life insurance: For an additional amount,

1 fiscal year 1946, for "National service life insurance", in-
2 cluding the objects specified under this head in the Inde-
3 pendent Offices Appropriation Act, 1946, \$356,000,000, to
4 remain available until expended.

5 Hospital and domiciliary facilities: For proceed-
6 ing with the provision of those hospital and domiciliary
7 facilities on account of which appropriations heretofore
8 made remain unobligated, in addition to such appropriations
9 remaining unobligated the Administrator of Veterans' Af-
10 fairs may, prior to July 1, 1947, enter into contracts and
11 incur obligations to an amount not in excess of \$441,250,-
12 000: *Provided*, That not to exceed 6.7 per centum of
13 unobligated balances of appropriations under this head for
14 the fiscal year 1947 and prior fiscal years shall be avail-
15 able for the employment in the District of Columbia and in
16 the field of all necessary technical and clerical personnel
17 for the preparation of plans and specifications for the projects
18 as approved hereunder and in the supervision of the exe-
19 cution thereof, and for all traveling expenses, field office
20 equipment, and supplies in connection therewith, except
21 that whenever Veterans' Administration finds it necessary
22 in the construction of any project to employ other Govern-
23 ment agencies or persons outside the Federal service to
24 perform such services not to exceed 10 per centum of the
25 cost of such project may be expended for such services.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

For an additional amount, fiscal year 1946, for personal services, as follows:

Administrative Division, \$7,500;

Tax Division, \$9,000;

Criminal Division, \$20,000;

Office of the Assistant Solicitor General, \$10,210;

Office of Pardon Attorney, \$392.

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$75,000.

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division", including the objects specified under this head in the Department of Justice Appropriation Act, 1942, \$408.89.

Fees of witnesses: For an additional amount, fiscal year 1946, for "Fees of witnesses", including the objects specified under this head in the Department of Justice Appropriation Act, 1946, \$63,500: *Provided*, That the limitation on the amount which may be expended for compensation and expenses of witnesses or informants authorized or approved by the Attorney General is hereby increased from \$25,000 to \$50,000.

Pay and expenses of bailiffs: For an additional amount,

1 fiscal year 1946, for "Pay and expenses of bailiffs", includ-
2 ing the objects specified under this head in the Department
3 of Justice Appropriation Act, 1946, \$20,000.

4 DEPARTMENT OF LABOR

5 CHILDREN'S BUREAU

6 Grants to States for emergency maternity and infant
7 care (national defense): For an additional amount, fiscal
8 year 1946, for "Grants to States for emergency maternity
9 and infant care (national defense)", including the objects
10 specified under this head in the Department of Labor
11 Appropriation Act, 1946, \$1,974,000.

12 POST OFFICE DEPARTMENT

13 (Out of the postal revenues)

14 FIELD SERVICE, POST OFFICE DEPARTMENT

15 For additional amounts, fiscal year 1946, for appropria-
16 tions of the Post Office Department, including the objects
17 specified in the Post Office Department Appropriation Act,
18 1946, under each head respectively, as follows:

19 OFFICE OF THE POSTMASTER GENERAL

20 Adjusted losses and contingencies, \$10,000;

21 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

22 Compensation to postmasters, \$2,156,000;

23 Compensation to assistant postmasters, \$325,000;

1 Clerks, first- and second-class post offices, \$15,800,000;

2 Miscellaneous items, first- and second-class post offices,
3 \$68,000;

4 Carfare and bicycle allowance, \$60,000;

5 City delivery carriers, \$11,000,000;

6 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

7 Star-route service, \$810,000;

8 Railroad transportation and mail messenger service,
9 \$1,000,000;

10 Railway Mail Service, \$1,683,000;

11 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

12 Rent, light, power, fuel, and water, \$500,000;

13 Pneumatic-tube service, New York City, \$14,300;

14 Transportation of equipment and supplies, \$187,500;

15 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

16 Operating force, \$700,000;

17 Operating supplies, public buildings, \$112,200.

18 INCREASED PAY COSTS

19 For payment of increased pay costs for the period Janu-
20 ary 1, 1946, to June 30, 1946, as authorized by the Act
21 of May 21, 1946 (Public Law 386), \$79,661,100, to be
22 apportioned as indicated in House Document Numbered 610,
23 Seventy-ninth Congress.

1 TREASURY DEPARTMENT

2 FISCAL SERVICE

3 BUREAU OF ACCOUNTS

4 Salaries and expenses: For an additional amount for
5 salaries and expenses, Bureau of Accounts, fiscal year 1947,
6 including the objects specified under this head in the Treasury
7 Department Appropriation Act, 1947, for obligations (in-
8 cluding payment of accrued annual leave) incurred by and
9 the liquidation of War Agencies placed in liquidation during
10 the fiscal year 1946, \$75,400, of which \$30,000 shall be
11 immediately available.

12 Division of Disbursement, salaries and expenses: For
13 an additional amount, fiscal year 1946, for salaries and ex-
14 penses, Division of Disbursement, \$825,000.

15 WAR DEPARTMENT—CIVIL FUNCTIONS

16 CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

17 For all expenses necessary, not otherwise provided for
18 to enable the Secretary of War to carry out his responsibili-
19 ties in connection with evacuation and return to their
20 homeland of the remains of members of the armed forces
21 and certain citizens and employees of the United States as
22 authorized by the Act of May 16, 1946, Public Law Num-
23 bered 383, including funeral and burial expenses or pay-
24 ment of allowances in lieu thereof; personal services at the
25 seat of government (not to exceed \$1,350,000) and else-

1 where; construction of buildings and facilities; acquisition of
 2 real estate or interests therein; purchase, operation, mainte-
 3 nance, and repair of passenger automobiles; printing and
 4 binding; settlement of claims incident to and resulting from
 5 activities pursuant to said Act in accordance with the Act
 6 approved July 3, 1943 (31 U. S. C. 223b); and com-
 7 munication and other services and supplies at the seat of
 8 government or elsewhere; \$92,500,000, to remain available
 9 until expended: *Provided*, That the Secretary of War is
 10 authorized to furnish, without reimbursement, supplies and
 11 equipment in excess of the needs of the Military Establish-
 12 ment and to make available existing facilities of the Military
 13 Establishment to the fullest extent possible for the accom-
 14 plishment of the objects provided for herein: *Provided*
 15 *further*, That expenditures from this appropriation may
 16 be made when necessary to carry out its purpose without
 17 regard to sections 355, 1136, 3648, 3709, and 3734, Re-
 18 vised Statutes, as amended, or civil service and classification
 19 laws.

20 THE JUDICIARY

21 MISCELLANEOUS ITEMS OF EXPENSE

22 Probation system, United States courts: For an addi-
 23 tional amount, fiscal year 1946, for "Probation system,
 24 United States Courts", \$20,000.

1 Miscellaneous salaries: For an additional amount, fiscal
2 year 1946, for "Miscellaneous salaries", \$10,000.

3 Salaries, court reporters: For an additional amount,
4 fiscal year 1946, for "Salaries, court reporters", \$58,500.

5 TITLE II—GENERAL PROVISIONS

6 SEC. 201. No part of any appropriation contained in
7 this Act shall be used to pay the salary or wages of any
8 person who advocates, or who is a member of an organiza-
9 tion that advocates the overthrow of the Government of
10 the United States by force or violence: *Provided*, That for
11 the purposes hereof an affidavit shall be considered prima
12 facie evidence that the person making the affidavit does not
13 advocate, and is not a member of an organization that
14 advocates, the overthrow of the Government of the United
15 States by force or violence: *Provided further*, That any per-
16 son who advocates, or who is a member of an organization
17 that advocates, the overthrow of the Government of the
18 United States by force or violence and accepts employment
19 the salary or wages for which are paid from any appropria-
20 tion contained in this Act shall be guilty of a felony and,
21 upon conviction, shall be fined not more than \$1,000 or
22 imprisoned for not more than one year, or both: *Provided*
23 *further*, That the above penal clause shall be in addition to,
24 and not in substitution for, any other provision of existing
25 law.

1 SEC. 202. The appropriations and authority with respect
2 to appropriations contained in any regular annual appropria-
3 tion Act for the fiscal year 1947, not a law on July 1, 1946,
4 shall be available from and including July 1, 1946, for the
5 purposes respectively provided in such appropriations and
6 authority. All obligations incurred during the period be-
7 tween June 30, 1946, and the date of enactment of such
8 appropriation Acts as may not have been enacted on or
9 before July 1, 1946, in anticipation of such appropriations
10 and authority are hereby ratified and confirmed if in accord-
11 ance with the terms thereof.

12 SEC. 203. This Act may be cited as the "Third Urgent
13 Deficiency Appropriation Act, 1946".

Passed the House of Representatives May 29, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

79TH CONGRESS
2^D Session

H. R. 6601

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

MAY 31 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on
Appropriations

THIRD URGENT DEFICIENCY APPROPRIATION BILL FOR 1946

HEARINGS BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE SEVENTY-NINTH CONGRESS SECOND SESSION

ON

H. R. 6601

AN ACT MAKING APPROPRIATIONS TO SUPPLY DEFICIENCIES IN CERTAIN APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1946, AND FOR PRIOR FISCAL YEARS, TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1946, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1946

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

KENNETH McKELLAR, Tennessee, *Chairman*

CARL HAYDEN, Arizona

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EVERARD H. SMITH, *Clerk*

THIRD URGENT DEFICIENCY APPROPRIATION BILL, 1946

TUESDAY, JUNE 4, 1946

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to notice, at 2 p. m., Hon. Kenneth McKellar, chairman of the subcommittee, presiding.

Present: Senators McKellar, Hayden, Russell, Thomas, McCarran, O'Mahoney, Ferguson.

Senator McKELLAR. The committee will be in order.

We will first hear from General Bradley of the Veterans' Administration.

VETERANS' ADMINISTRATION

STATEMENT OF GEN. OMAR N. BRADLEY, ADMINISTRATOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY DR. P. H. HAWLEY, CHIEF MEDICAL DIRECTOR; F. H. DRYDEN, ASSISTANT ADMINISTRATOR FOR CONSTRUCTION AND SUPPLIES; R. S. POOLE, DEPUTY ASSISTANT ADMINISTRATOR, CONSTRUCTION AND SUPPLIES; J. J. ROCKEFELLER, DIRECTOR, CONSTRUCTION SERVICE; E. J. SMITH, CHIEF, PUBLICATIONS DIVISION; G. H. RENNICK, EXECUTIVE ASSISTANT, INSURANCE SERVICE; MRS. R. D. PECK, DIRECTOR, ACTUARIAL SERVICE; S. M. MOORE, JR., BUDGET OFFICER; BRIG. GEN. JOHN S. BRAGDON, DIRECTOR OF MILITARY CONSTRUCTION, OFFICE OF THE CHIEF OF ENGINEERS, UNITED STATES ARMY; AND LT. COL. W. E. JEFFREY, OFFICE OF THE CHIEF OF ENGINEERS, UNITED STATES ARMY

General BRADLEY. We are here on a certain deficiency matter of the Veterans' Administration.

Senator McKELLAR. On page 5 of the bill?

General BRADLEY. Yes, sir.

Senator McKELLAR. Tell us about it, please.

ADMINISTRATION, MEDICAL, HOSPITAL, AND DOMICILIARY SERVICES

General BRADLEY. \$59,000,000 for administration, medical, hospital, and domiciliary service: When we estimated the amount for the fiscal year 1946, we were not sure how fast we could expand our administrative offices and how many Army surplus hospitals we would take

over. We have been able to take over more hospitals than we thought we would. We have already taken over 13, and we hope to take over 6 more by the 1st of July, and have to start building up the personnel somewhat ahead of time.

Senator McKELLAR. Now, let me ask you, there: You can spend all of this in the year 1946?

General BRADLEY. Yes, sir; fiscal year 1946.

OVERTIME WORK REQUIRED TO REDUCE BACKLOG

In addition to those items, we have had to work overtime a great deal in order to overcome the backlog of claims and applications for education which came in because of the rapid demobilization.

So we just had to have additional personnel in order to handle it, and had to work overtime in order to reduce this backlog. So that amount, \$59,000,000, is the amount needed for those various items.

Senator McKELLAR. For overtime and what?

General BRADLEY. Additional personnel, both in hospitals and in administrative offices, plus supplies and equipment, fees for doctors making examinations, for example, for claims.

Senator RUSSELL. Have you had any difficulty enlisting this personnel, General?

SHORTAGE OF DOCTORS IN ISOLATED HOSPITALS

General BRADLEY. Not except doctors. We are still having trouble getting doctors, particularly for out-of-the-way sites. If we had housing, we could get more doctors, particularly in the places where we can give them a chance to practice modern medicine. But we are still short of doctors in many of our isolated hospitals; in fact, no better off in some than we were 6 or 8 months ago, whereas in many of them we are up now to full strength in doctors and nurses.

Senator RUSSELL. How about your personnel that handle these claims? You have been expanding very rapidly?

General BRADLEY. Yes, we have no trouble getting personnel after we get the space to put them. We have had trouble, particularly on the west coast, in getting personnel, but that is getting better now. After we once get office space, we do not have much trouble getting the administrative personnel.

Senator McKELLAR. You do not have any trouble down our way, do you?

General BRADLEY. No, sir; I believe not. I believe we have had no trouble getting personnel there as far as I have heard; that is, administrative personnel.

FUNDS NEEDED TO MEET OBLIGATIONS FOR REMAINDER FISCAL YEAR

Senator McKELLAR. Now, just what will you do with this \$59,000,000?

General BRADLEY. That is to enable us to carry on both the administrative load and the hospital load as far as personnel and overtime are concerned, between now and the 30th of June.

Is that correct?

Dr. HAWLEY. That is correct.

General BRADLEY. You see, we have three pay periods this month, June.

Senator McKELLAR. It will take that much?

General BRADLEY. Yes, sir; it will take that much to carry us on to the end of the year, sir.

Senator McKELLAR. General, is overtime more expensive than increasing your personnel?

OVERTIME NECESSARY ON ACCOUNT OF WORK LOAD AND LIMITED OFFICE SPACE FOR ADDITIONAL PERSONNEL

General BRADLEY. Yes, sir; much more so; and less efficient. But we have had to do it because we did not have office space in certain places, so the only answer was to make the people that we could put in those offices work longer.

And some of our offices have been working as high as 70 hours a week. It is inefficient, but it is the only thing you can do when you have limited office space.

You cannot put on the additional personnel until you get it, and we are trying to get additional office space as fast as we can.

You know what we are up against in many cities to get additional office space. In the meantime we just have to operate with the space we can get and work the employees overtime in order to try to overcome this backlog which piled up during the winter and during the rapid demobilization.

I might say we have made great strides in catching up with that backlog.

Senator McKELLAR. All right, sir. What else?

PRINTING AND BINDING

General BRADLEY. The next is "Printing and binding," for an additional amount of \$740,000.

INCREASE IN PRINT OF FORMS

That has been made necessary primarily because we have had to print so many blank forms to get out to this large number of veterans, and also because of changes in some forms necessitated in some cases by law.

For example, the loan provision was changed in the amended Readjustment Act, and we had to change all our forms.

That did give us a chance to simplify them a great deal, of course, but we had to put out a completely new set of forms.

In addition, we are putting out information on insurance, and trying to get the men to keep their insurance.

EIGHTY PERCENT OF VETERANS MAY DROP THEIR INSURANCE

It looks like approximately 80 percent of the veterans are going to drop it, and we think that is a national asset to have the veterans keep that insurance, and so from time to time we put out literature on the advantages of Government insurance and try to get them to keep it.

Senator O'MAHONEY. Did you say what percentage, General?

General BRADLEY. It looked like about 80 percent were going to drop it. Now we think some of those will reinstate it as soon as this insurance bill is passed, which removes the restriction on beneficiaries, for example, and provides for lump-sum payment.

PLAN PROPOSED TO INDUCE VETERANS TO KEEP INSURANCE

Senator O'MAHONEY. How do you propose to induce them not to drop it?

General BRADLEY. By sending to them at their homes—and we in many cases send it direct to their homes when we find a man is discharged—material setting forth the advantages of this Government insurance.

We think that will have more effect than it will if you give it to him at the separation center.

They do not pay much attention to what is said to them there. Some of them lose them and do not take those things home. Furthermore, it gives the family a chance to look at it, and a man's wife or dependents might talk it over with him and induce him to keep it.

We think when the insurance is put on a peacetime basis, many of them will reinstate it.

Senator O'MAHONEY. In what form is this publicity prepared?

General BRADLEY. In a little booklet, just a little pamphlet or paper.

COST OF INSURANCE BOOKLET

Senator McKELLAR. What is the cost of such booklets?

Mr. SMITH. They run 3, 4, or 5 cents apiece. It all depends. The one we have emphasized now is a little insurance booklet entitled, "Continuance of National Service Life Insurance," which runs about 5 cents apiece.

Senator McKELLAR. I mean the aggregate cost to the Government.

Mr. SMITH. It all depends upon the quantity, sir.

We have had to provide that booklet on two different occasions now, because it was not successfully used by the individual when he left the separation center, so it was sent individually to his home.

AMOUNT ALREADY EXPENDED THIS YEAR

Senator McKELLAR. I will put it this way: You are asking now for \$740,000 for the rest of June. How much has already been expended during the year for this purpose?

General BRADLEY. This covers all blank forms and all pamphlets. I just mentioned those two as being two of the outstanding.

Mr. SMITH. Over \$2,000,000 has been spent thus far this year.

NEED FOR STOCK PILE IN BRANCH OFFICES

This is further necessary during this month because of the decentralization of the insurance activities, which will require a supply of forms and publications in each branch office to carry this program out. That means setting up the stock piles in the 13 branch offices, where they will be available to the veteran when he comes in and applies.

Senator McKELLAR. This will be more than one-third of what you have spent for 11 months.

Mr. SMITH. This will be the biggest month, sir, of the whole year, because of the activity being decentralized now.

General BRADLEY. In order to get this thing started, we should get it out this month; particularly with the possibility that the insurance bill will become law.

It has passed the House, and, as I understand it, hearings are being heard on it in the Senate committee next week.

The minute that becomes law, we should get out some information on it.

Senator McKELLAR. That probably will not become a law, judging from ordinary practice, until after July 1. There is not one chance in a hundred it will become law before July 1.

General BRADLEY. Well, we had hoped it would, and we should have this all set up.

Senator McKELLAR. If it does not become law before July 1, would you need all of this?

General BRADLEY. Yes, sir. Because it is not just this insurance. It is the whole business of blank forms and pamphlets. I just mentioned the two of them as outstanding.

Senator RUSSELL. I hope that bill becomes a law before the 1st of July. There is more dissatisfaction on that beneficiary clause in the policies than any other thing I know of.

General BRADLEY. We have had a lot of letters on that.

Senator RUSSELL. So have I. I also had a brother and a nephew who jumped on me when I came home.

PENALTY MAIL COSTS

General BRADLEY. The next thing is penalty mail costs. There again, our mail has exceeded all expectations, because of the amount of business done with the some 12,000,000 veterans that have come out of the service.

Senator McKELLAR. Do you not have freedom of the mails?

General BRADLEY. Yes, but we have to transfer this to the Post Office Department to cover us.

Senator McKELLAR. Of course, it does not make any real difference, because it goes from one to the other.

General BRADLEY. That is right. Of course, we cannot run out. We have to have some of these on hand at all times, and this will provide a necessary stock with which to start the next fiscal year.

NATIONAL SERVICE LIFE INSURANCE

Senator McKELLAR. All right, sir. Take the next item, "National service life insurance," 356 million.

General BRADLEY. That is an amount which should be transferred to the national service fund and be paid by the Government rather than from the premiums paid in because of the amount involved in paying for the extra hazards of war.

Some 89 percent of the insurance policies paid deaths have been due to extra hazards of war, and it is provided that that be paid for by the

Government, rather than from the fund which is built up or will be eventually built up by the premiums paid in.

AMOUNT NEEDED TO PAY DEATH CLAIMS DUE TO EXTRA HAZARDS OF WAR

This amount is actually needed to pay for the deaths that have occurred due to extra hazards of war.

Senator RUSSELL. How much is that annual cost, General, for the hazards of war?

AMOUNT PAID TO DATE

General BRADLEY. It should not be so much from now on. But these are cases that are still being adjudicated. The total amount to date, for this 89 percent which I speak of due to extra hazards of war, is \$2,854,000,000.

Senator RUSSELL. This is on the claims you have not been able to process, which you say grew out of the war?

General BRADLEY. The ones that are still being taken care of now.

Mr. RENNICK. These have been processed, sir.

General BRADLEY. Yes, they have been processed, and unless this appropriation were made, it would have to come out of the fund from the people paying their premiums.

INSURANCE WILL BE SELF-SUSTAINING AFTER HAZARD-OF-WAR CASES ARE SETTLED

Senator RUSSELL. It is contemplated after these hazard-of-war cases are all settled that this insurance is self-sustaining except for the administrative costs?

Mrs. PECK. That is true, except that claims that are due to the hazards of war are very apt to occur long after the end of the war.

There will be fewer, but they will not completely disappear. We are still transferring funds on account of World War I deaths and total disability claims, which have been determined to be due to the extra hazard of the war even though they occurred long after the war.

Senator RUSSELL. You mean where a man has carried insurance since 1941 and he dies now, that that is attributed to the hazards of war?

Mrs. PECK. Not necessarily, but each case is examined on its own merits. And the last year before this World War II, \$2,000,000 was transferred on account of deaths due to World War I hazards.

Now, of course a great many of the holders of that insurance were in this present Army, which has increased the transfers on account of that United States Government life insurance, due to the extra hazards of this war.

Senator RUSSELL. They could not have but one policy, could they?

Mrs. PECK. Yes, they could have.

Senator RUSSELL. A man could have a policy out of the First World War and get another in this war?

Mrs. PECK. He could under certain circumstances if, for example, his World War I insurance were for less than the maximum of \$10,000.

Senator RUSSELL. I understood he could not have two policies.

Mrs. PECK. No; he could not have two if they were to exceed the ten thousand. The members of this present Army, a great number of them, held insurance under the original War Risk Insurance Act under World War I, so that there are a great many under that legislation who were eligible for National Service Life Insurance because their other Government insurance totaled less than \$10,000.

Senator RUSSELL. I still do not see that.

Mrs. PECK. I meant that to explain why the appropriation will not be completely unnecessary very soon. It will still continue for a number of years.

General BRADLEY. But it will be in very much smaller amount.

Senator RUSSELL. How do you determine, when a man dies 20 years after the cessation of hostilities, whether that should be paid out of a reserve or out of an appropriation from the Treasury?

Mrs. PECK. That is to a considerable degree a medical question, of course.

Senator McKELLAR. It seems to me that if \$356,000,000 were to be paid out in the remaining days of June, it would have to be paid out very rapidly.

Mrs. PECK. This was meant to cover the fiscal year 1947. About 305 million of that is pending at the moment.

Senator RUSSELL. It says "To remain available until expended."

AMOUNT OF CLAIMS WAITING PAYMENT FROM DEFICIENCY

Mrs. PECK. About 305 million of that is already earmarked. I mean, we have claims waiting to be paid of about that amount.

Senator RUSSELL. Well, is the same reserve that has been set up for the insurance growing out of the First World War blended with this reserve?

Mrs. PECK. No. I am sorry if I may have given the wrong impression.

CLAIMS DUE TO HAZARD OF WAR CONTINUE AFTER A WAR

I was simply trying to show that the claims due to the hazard of war do not cease with the actual hostilities. No; they are completely separate.

Senator RUSSELL. I can see that, but it does seem to me that 20 years after a war, from an insurance standpoint there should not be a great number of claims growing out of the hazards of war.

Mrs. PECK. There are not a great many, but it does not absolutely stop.

Senator RUSSELL. It does, of course, look like that is going a long way afield. That would only be true in cases where the insurance or payment of premiums was waived due to disability, would it not?

Mrs. PECK. Not necessarily. We do not have that provision under the United States Government life insurance. Generally speaking, a man has to be permanently and totally disabled in order to draw direct benefits under United States Government life insurance.

Senator RUSSELL. I know.

Mrs. PECK. Well, he might be partially disabled from some disability which would finally cause his death.

Senator RUSSELL. And then you would figure out the percentage of disability that contributed to his death?

Mrs. PECK. No; if it is determined to be due to the extra hazard of military or naval service, the entire claim is paid from the appropriation. It is not split.

Senator RUSSELL. And what he had paid in as a premium?

Mrs. PECK. The reserve paid up is set off against that as a credit.

Senator RUSSELL. Each is handled as a special financial transaction?

Mrs. PECK. That is exactly right. And the difference between the face and the reserve is transferred.

Senator RUSSELL. I see.

TOTAL RECEIPTS FROM PREMIUMS AS OF FEBRUARY 28, 1946

Senator McKELLAR. Let me ask this question: What is the amount that is not in the fund from the payment of premiums?

Mrs. PECK. I have that, but not separated in that way. The total ledger assets on February 28, including transfers from the appropriation which have already been made, are \$4,750,000,000. That is, including transfers which have been made, in the amount of about two and one-half billion. It is about two billion eight hundred thousand from the premiums.

Senator McKELLAR. About two billion now. And you do not think that would be sufficient, and you are asking for the Congress to appropriate \$356,000,000 more?

LAW PROVIDES FOR TRANSFER OF APPROPRIATED FUNDS

Mrs. PECK. Well, it is not merely to take a sufficient amount. It is because the law provides that we must transfer, or should transfer, from the appropriation any claim which is determined to be due to the extra hazard of military and naval service.

It is not that the fund is insufficient at this time, but that the transfer must be made in order to comply with the terms of the law.

General BRADLEY. Otherwise, sir, the amount paid to the beneficiaries of these war hazard cases would come out of the funds built up by the policyholders, and the law provides that this should be transferred to that fund for those cases whose death is due to extra hazards of war.

This is the amount which should be transferred to take care of those cases now.

Mrs. PECK. May I explain: The amount of the ledger assets is very much higher than it would be if the claims were payable in lump sum. You see, a great proportion of the money now in the fund must be held to pay future installments on claims that have already occurred, because they all are paid in installments.

So this is not simply for future claims, but a large part of it must be held for claims that we are paying installments on right now.

HOSPITAL AND DOMICILIARY FACILITIES

Senator McKellar. All right, General, the hospital and domiciliary facilities?

FUNDS PROVIDED FOR NEW HOSPITALS INSUFFICIENT TO MEET CONSTRUCTION COSTS

General Bradley. There has been money appropriated for 76 new hospitals. The estimates for those appropriations were made up a year and 2 years ago, and we find now that when we try to let a contract, the amount which has been appropriated is entirely insufficient.

For example, a 150-bed hospital out in Colorado we opened bids on not long ago, and the amount appropriated was \$1,400,000, and the lowest bid was \$2,800,000, just 100 percent more.

We opened bids on a hospital up in Providence, R. I. The appropriation was \$3,200,000, and the lowest bid was \$5,000,000.

These hospitals are going to cost more, because in checking the plans of the hospitals which we have been building, and having them checked by civilian architects on the outside, we found that our plans were not as modern as they should be.

In other words, we had that check made because we did not want to build hospitals which, when we had them finished, would have been obsolete. So we called in outside architects and they were of very much help to us.

So to meet the demands of modern hospitalization and take advantage of the improvements that have been made during this war in the practice of medicine and surgery, we have added certain improved facilities, which has also raised the cost of these hospitals.

But we think that that is desirable, because I do not believe any of us would want to build a hospital which would be obsolete by the time we got it built.

So that has added something to it, particularly along the lines of therapy and rehabilitation facilities in the hospital; chapels, libraries, living quarters, and so forth.

Those things have been added to an extent, although not to any extravagant extent, to what the original plans called for. All of that, added together, means that in these estimates the total cost is going to run something over a hundred percent more than the amount originally appropriated.

We figure that the total amount required, in present prices, would be about \$341,250,000 plus, more than what has already been appropriated.

COMPARISON OF INCREASED CONSTRUCTION COSTS AFTER LAST WAR AND PRESENT WAR

That does not allow anything for increase in construction costs from now on.

We went back and studied the increase in costs after the last war, and they went up quite rapidly for a year or so. We think after this war, with more controls, they will not go up that much. They went up 37 percent then. We think with the controls in effect now, they

should not go up more than about half of that. In fact, we figure 15 percent in our figures. But probably it will last over a longer period of time before they start back down.

AMOUNT PROVIDED FOR INCREASED COSTS

So all of that added together, should require about \$341,250,000 more, and in order to take care of any possible increase in costs, we have added to that an additional hundred million dollars, making a grand total additional required of \$441,250,000.

Senator McKELLAR. Now, General, in connection with the proviso, then, what amount of money will 6.7 per centum of unobligated balance amount to? How much will that amount to in money?

EXPLANATION OF LIMITATION ON USE OF UNOBLIGATED BALANCE

General BRADLEY. I will explain that a little bit more. That 6.7 percent would apply to the overhead for any construction which our office carried out.

We do not have much of an office force, so we cannot develop the plans of very many of these. We are going to have to turn to civilian architects and to the Corps of Engineers to help us supervise these in the field, because we do not have the inspection force in the field and the supervising force that they have.

So you notice that provides for 6.7 percent overhead for any project which is administered by the Veterans' Administration and for 10 percent for anything which we may get another agency to carry out for us.

The old wording in the appropriation act was not to exceed 3 percent.

That was all right when we had just a few bids each year, handled by our own office force and done in accordance with long-developed plans, which made very little work.

But we have tried to develop new criteria for these hospitals, to make them modern, and the volume of work is such that we are going to have to get the help of the Corps of Engineers to do it, and therefore it just cannot be done under the old 3 percent limitation.

ESTIMATED FUNDS AVAILABLE UNDER LIMITATION

Senator McKELLAR. Could you form an estimate of probably how much that would mean in money?

General BRADLEY. Yes, sir. I think I can answer that in general. A large part of the total appropriation, which would be available then under the old appropriation, plus this authorization, would be about 772 million.

Now, the amount that would be used up in architect's plans, supervision, and so forth, would be 10 per cent of the major part of that, plus 6.7 percent of the smaller part of it. It would run something less than 10 percent of the 772 million; in other words, something like 75 million of that is necessary in the architect's fees, the supervision, and the general control of the program.

Senator McKELLAR. It would be about \$70,000,000, just speaking generally?

General BRADLEY. Approximately 75 million, sir.

Senator McKELLAR. Is there any other thing you want to bring to the attention of the committee? Are there any questions?

Senator THOMAS. Mr. Chairman, I am receiving letters that I cannot answer. I will make some statements, and they may be right and they may be wrong. The Congress authorized appropriations two or more years ago for the construction of hospitals for returning veterans.

I understand that because these hospitals have not been constructed, you are searching the country for hospital facilities to take care of the overflow. Is that correct?

NUMBER OF SURPLUS SERVICE HOSPITALS TAKEN OVER

General BRADLEY. Well, I would not say we are searching the country. We are taking over as many of the surplus Army hospitals as we can staff properly, and using those as a temporary expedient until permanent construction can be taken over. To date we have taken over 13 hospitals, and we expect to take over six more by the 1st of July.

The total bed capacity of those we have taken over to date is approximately 10,000.

Senator THOMAS. Well, that verifies the information which I have.

Senator McKELLAR. Would you mind just putting that in the record there, those that you have taken over?

Senator FERGUSON. Do I understand, General Bradley, these are all Army and Navy hospitals?

LOCATION OF SERVICE HOSPITALS

General BRADLEY. These are all service hospitals: Winter Hospital, Topeka, Kans., 100 percent semipermanent construction; Fort Meade, S. Dak., an old Army post, I believe, which is 100 percent permanent; Nautilus Hospital in Miami, Fla., which the Army turned over to us, 100 percent permanent construction; Foster General Hospital at Jackson, Miss., 97 percent semipermanent; Fort Washington, Md., 100 percent semipermanent; Thayer General Hospital, Nashville, Tenn., 100 percent semipermanent; McGuire General Hospital at Richmond, Va., which is 26 percent and 74 percent semipermanent; Vaughan, at Hines, Ill., which is 30 percent permanent and 70 percent semipermanent; Ashburn General Hospital at McKinney, Tex., which is 100 percent semipermanent; Birmingham General Hospital at Van Nuys, Calif., 100 percent semipermanent; La Garde Hospital, New Orleans, La., which is 100 percent temporary construction; Nichols General Hospital at Louisville, Ky., which is 100 percent temporary; Crile General Hospital, Cleveland, Ohio, 100 percent semipermanent construction.

Senator FERGUSON. Would you define what is meant by "semipermanent"?

General BRADLEY. It is one which is not fireproof, but is usually tile or brick. It has a certain amount of wood in it also.

Senator FERGUSON. And the "permanent" are solid brick?

General BRADLEY. Fireproof construction.

Senator THOMAS. As I have stated, I do not have the date of the authorization by the Congress for the appropriation of funds to build these hospitals. I know the Congress has provided funds promptly upon request.

The war in Europe has been over for over a year, and the war in Japan has been over almost a year, and yet today we have these hospitals not even advertised for construction in some instances.

Now, the question that I have to answer, and I cannot answer, is: Why has this program been delayed until this late date?

REASON FOR DELAY IN CONSTRUCTING NEW HOSPITALS

General BRADLEY. Several things contributed to it. In the first place, our office was not equipped to handle that volume of business. We tried to develop those plans in our own office along sound engineering and medical lines, and when we found the load greater than we could handle, we called in outside assistance.

BIDS EXCEEDED AMOUNT AVAILABLE FOR HOSPITALS

We found that we had to make several changes in our plans. Recently we called for bids on several of these hospitals, and in every case the bids exceeded the amount available, so that we could not make an award.

We tried then to develop a scheme whereby we could get all of these hospitals going at once, as soon as the money became available. To expedite the program we worked up the criteria for the various types of hospitals and the various size hospitals, like 200-, 500-, and 1,000-bed hospitals, and we now have that in shape so that we can, as soon as the money becomes available and the site is acquired, turn these criteria over to civilian architects for the development of the general and detailed plans.

If we tried to do all that in our own office, it would take years. We must make use of civilian architects to draw up the plans, and we must make use of somebody else, like the Corps of Engineers, to help us, because we do not have the necessary field force.

They have been building a lot of hospitals during the war, and they do have the staff and the field set-up to do it.

So, we could not get any one bid that was within the amount of money appropriated, and there was no use to go to the expense of trying to get these bids until we had this amount of money straightened out.

I went to the House Appropriations Committee a couple of months ago and told them what we were up against. They asked for certain information which took us some time to collect for them. Then we went back to them with these figures. We had to estimate each one of these hospitals over again. We went back to them then with this information, which resulted in the bill which they passed the other day providing this additional amount in the form of authorization.

We think that when that money does become available, either by appropriation or authorization, we can get these all going very quickly,

because they are lined up now so that we can farm them out and get all the plans drawn in a relatively short time.

AVAILABILITY OF WAR DEPARTMENT ENGINEERS

Senator THOMAS. Mr. Chairman, the engineers have reported to the subcommittee handling War Department appropriations that they have had a force on hand that if we did not provide funds for they would have to relinquish; which led me to believe as a member of that committee that they had men which were not very busy.

That is No. 1.

NEED FOR CONSTRUCTION OF HOSPITALS

No. 2: This delay has served to embarrass a good many returning soldiers who needed hospitalization. If the existing hospitals are not satisfactory to the Veterans' Administration—and I understand they are not; only a few of these Army hospitals are fit to serve the Administration—then it seems to me that steps should have been taken a long time ago to start this program.

The Congress did its part. Now, that is No. 2.

No. 3: The fact that this program has been delayed to this time has resulted in a vast increase in the cost of these institutions.

Now, those are questions I cannot answer, and I just wanted to give you a chance to make your explanations so that I could have some answer to the letters I get.

I do not ask you any further, because you have covered the matter rather fully.

ADEQUACY OF STAFF

Senator FERGUSON. General, do you have in your department a staff of engineers and architects?

General BRADLEY. A very small staff.

Senator FERGUSON. Does the Corps of Engineers have a staff of architects and engineers that could draft the plans?

General BRADLEY. No, sir; they could not. They have to call upon civilian architects.

TIME REQUIRED TO DRAW UP PLANS

Senator FERGUSON. How long do you think it will take civilian architects to draw up a program such as you are outlining here?

General BRADLEY. I think for the larger hospitals they figure 6 months' maximum for drawing up the detailed plans; because there is a tremendous amount of detailed work there.

Senator FERGUSON. I realize that.

General BRADLEY. As to the large ones, maybe I had better ask General Bragdon from the Corps of Engineers as to that.

General BRAGDON. That is correct, 6 months for the larger ones and 4 for the smaller ones and 5 for the intermediate ones.

Four of these are under way now, and we believe that almost all of that program can commence to be advertised in the first quarter of

next year; that is, beginning in January if we get the authority now—all 70 of them.

Senator FERGUSON. What are you figuring on as to increased prices between now and the first of the year?

What percentage?

General BRAGDON. I have not that exactly as you have asked it, but we did make a study of increasing prices. Would you want me to explain that?

Senator FERGUSON. Yes; I would like you to.

FINDINGS IN ANALYSIS OF COSTS FOR ACCOMPLISHED JOBS

General BRAGDON. Well, we made an analysis of nine jobs which were accomplished jobs. We took the dates at which these hospitals were built, and the average actual costs were 91 cents a cubic foot. We took the Engineering News Record index as of the year in which those were let, and we took the Engineering News Record index, the average index, of May 1, and applied the ratio, until we found that on May 1 those same hospitals would have cost \$1.21 a cubic foot.

Senator FERGUSON. Ninety-one cents was the actual?

General BRAGDON. Ninety-one cents was the actual. Those dates vary from 1928 to 1946.

Senator FERGUSON. Yes.

General BRAGDON. Now, had those been built on May 1, or bids taken, they would have cost \$1.21. That is according to the Engineering News Record indices.

They also have an index for labor efficiency, and they have found labor efficiency is now only about 65 percent. We thought that was rather a pessimistic figure, and it is rather difficult to verify in detail. So we too one-fourth of that, or about 8 percent, and adding that on we got about \$1.28 per cubic foot. In the same period after the last war, 9 months after peace, the index went up 37½ percent.

Senator FERGUSON. That is about the same as this, is it not?

PERCENTAGE OF INCREASED COSTS ANTICIPATED

General BRAGDON. No; I am talking from now on. Taking from the point after the last war to the peak it reached, it was 37½ percent. We figure now with the controls that that is a little pessimistic, also, to expect, but we think that about 15 percent is not too much to plan for. Adding that 15 percent on will give \$1.48 a cubic foot.

We think that the base of this high peak may last 2 years. It was 12 months from this time last war until the peak went up and came back down again. Adding that 15 percent on gives us \$1.48. Those figures that I have given are without design and inspection and the various field overheads. If you add that 10 percent on, it gives \$1.63 per foot.

Senator FERGUSON. I think that was one of the items that Senator Thomas was talking about.

Senator THOMAS. Well, Mr. Chairman, I think the engineers know or should know that there is hardly any possibility of our getting back to a lower price level. After the last war, we only had a \$26,000,000,000 national debt. Now it is 275 or 280 billion dollars.

After the last war we got down to an annual budget of 4¼ billion dollars, in just a few years after the war was over. No one can figure now that we are going to get back to an annual budget of less than \$25,000,000,000. With an annual debt so large and annual budget so enormous, how can we go back to a lower price level? I do not know what is going to happen, and I do not suppose that anyone does, but I cannot foresee that we can live on a lower price level.

It is my forecast that it is going to go up higher, and we are going to have greater difficulty under a higher price level than today, and in my opinion the longer this construction is put off the more it is going to cost the Federal Treasury.

I have been hoping we could get it under way. If you need money all you need to do is ask for it. If we ask you where this bill is deficient, and you tell us, I am sure the committee will take account of your recommendations.

I ask you now: Does this bill as it appears before the committee carry enough money to do the program that you have in mind for the immediate future?

FUNDS REQUESTED CONSIDERED SUFFICIENT TO CONSTRUCT THE NEW HOSPITALS

General BRADLEY. We think it will cover the construction of the 76 new hospitals.

Senator THOMAS. Then thereafter if it does not, you should not come back and criticize the Congress for not giving you the money.

General BRADLEY. No, sir; we shall not, sir. One hundred million dollars of that being a sort of a contingency fund, gives us more flexibility.

Now, certainly, we cannot promise this is all we are going to need. I do not believe anybody can promise anything under these conditions.

As you say, we do not know what is going to happen. Our best estimate today is that that will cover it. If it does not cover it, I think this will be what will happen: We would use up that hundred million dollars contingency fund on, we will say, half of them, instead of all of them. Then we might have to come to you for an additional \$100,000,000 authorization a year or two from now, to take care of the other half.

This is our best estimate at this time for what is necessary to complete these 76 new hospitals.

Senator O'MAHONEY. When you have completed the 76 new hospitals, will you have built what will be needed to take care of the load?

ADDITIONAL BEDS PROVIDED UNDER CONSTRUCTION PROGRAM CONSIDERED SUFFICIENT TO MEET NEEDS OF VETERANS

General BRADLEY. We will have by that time approximately 144,000 beds. At the present time, we have about, in rough figures, 90,000. There were on the last report about 25,000 veterans awaiting hospitalization. That was before we had some of these Army hospitals in operation.

That figure is going down. We think that the 144,000 beds which will be available at that time will take care of most of the veterans requiring hospitalization.

Certainly, it will take care of all our service-connected cases and a percentage of the non-service-connected.

Senator O'MAHONEY. Do you know what the ratio of the number of beds was at the beginning of this war, in veterans' hospitals, to the number of men who were in the service in World War I, and can you compare that with the ratio of 144,000 beds to the number of men who were in the service in World War II?

General BRADLEY. It would not work very much as a comparison because of the different age groups. As the veterans get older, the number of veterans per thousand requiring hospitalization goes up.

In 1941, which was some 23 years after the last war, the World War I veterans and the Spanish-American War veterans were reaching an age where hospitalization was needed.

According to the Federal Board of Hospitalization, the estimates are that to furnish hospitalization on the same scale that was being furnished before Pearl Harbor to World War I veterans to the veteran of World War II would result in a peak of 300,000 by 1975.

I believe the Federal Board of Hospitalization estimates that we will be short some beds even on the 144,000 by the time these are completed; in 1948, say.

Senator O'MAHONEY. It would seem to me, frankly, that when we consider the huge number of men who participated in this war, 144,000 beds is not an excessive number of beds, to put it mildly.

The gentleman at your right has some statistics there which apparently have some bearing on this subject.

ATTEMPTS MADE TO INCREASE EFFICIENCY IN TURN-OVER OF PATIENTS

General BRADLEY. May I add something else on this: We have been trying to obtain increased efficiency in turn-over of our patients; so that the number of patients that can be handled with 144,000 beds will be much higher than the rate is at the present time or has been. We find, for example, that in the hospitals that are near medical centers, where we have been able to tie in with the best civilian help we can get, our number of surgical cases we can handle has jumped way up, and also the number of medical cases. So we think that we can increase the turn-over, decrease the number of veterans taken care of per bed per year very much over what has been the case, particularly where we get a maximum number of hospitals near these veterans, where we can get some help.

Senator FERGUSON. In other words, it would be more efficient, the operations would be better performed, and the cures will be quicker?

General BRADLEY. That is right.

Senator McKELLAR. You want to make your turn-over greater, too?

General BRADLEY. We will operate on the man very much quicker than we have been able to do in the past. As I believe I brought out before, as to the hospitals that are at the out-of-the-way places where we cannot get help, doctors will just not go to these places. We will send them to some of these posts and they will stay there 48 hours and leave us. They will not stay.

MICHIGAN PLAN AND INCREASED OUT-PATIENT SERVICE REDUCE NUMBER
REQUIRING HOSPITALIZATION

Senator FERGUSON. Will this Michigan system of sending them to their own private doctor help out on this system?

General BRADLEY. We think that will help; and also the increased efficiency of our out-patient service we think will help. For instance, in our New York region during the month of April we gave approximately 26,000 out-patient treatments to veterans with service-connected disabilities at our out-patient clinic in New York City.

We think that my making that efficient, as well as by getting help from doctors on the so-called Michigan plan, that that will reduce the number of men going to the hospitals.

If he can be taken care of by coming down a couple of hours or an hour a week he would rather do that than to enter the hospital.

HOSPITAL AT CHATTANOOGA, TENN.

Senator McKELLAR. General, have requests for bids been made for the hospital at Chattanooga?

General BRADLEY. No, sir. That is on this same group here, that we can let out to a private architect very soon after the money becomes available.

Colonel DRYDEN. The site is now before the Federal Board, and we are ready, as soon as we get that cleared, to assign it to the Corps of Engineers.

General BRADLEY. The site was selected by our Board. It has gone for approval, and as soon as that comes back we turn that over to the Corps of Engineers, and they should get that to an architect if the money is available within approximately 30 days, and start the development of the plans.

Senator THOMAS. Why cannot these hospitals be done on a systematic plan? I mean by that, by getting an approved plan and then using that same plan at different points.

General BRADLEY. We do use the same general plan, but it must fit the site also.

Senator THOMAS. Why not choose the site to fit the building once in awhile?

General BRADLEY. I think I better let the construction man answer that.

ECONOMIES IN DESIGNING BUILDINGS TO FIT THE SITES

Colonel JEFFREY. There are great economies in designing of buildings to fit the site and making use of local materials as far as possible. The same basic scheme per thousand-bed hospital will work in all parts of the country, but in order to get the most satisfactory use of local materials, you adapt the plan to the site; and that is where local architects are desirable, in taking advantage of the site conditions, which results in greater speed of construction also.

Senator THOMAS. There are only a few plans that are suitable for hospital construction, I should think: either concrete or brick veneer or tile construction, or some form of rock construction.

I do not see what else you can use.

Colonel JEFFREY. That carries through in the utilities, as to the use of the proper fuel, which could not be standardized for the entire country. In different cases it may be oil, or gas, or coal.

Senator THOMAS. There is a great number of places where you could use coal and a great number where you could use fuel oil. I would think that could be done. I am not an engineer or an architect, but I wanted to put forth that question. I can see your viewpoint.

Senator McKELLAR. Are there any other statements you wish to make, General?

General BRADLEY. No; I think I have covered them all.

Senator McKELLAR. If there is nothing further, we are very much obliged to you.

FEDERAL WORKS AGENCY, BUREAU OF COMMUNITY FACILITIES

BUDGET ESTIMATE AND HOUSE ALLOWANCE FOR PUBLIC WORKS ADVANCE PLANNING

Senator McKELLAR. General, on Federal Works Agency, Bureau of Community Facilities, page 3 of the bill, the estimate was \$50,000,000, and the House gave you \$35,000,000. Have you anything to say about that?

STATEMENT OF MAJ. GEN. PHILIP FLEMING, ADMINISTRATOR, FEDERAL WORKS AGENCY, ACCOMPANIED BY ERNEST E. HALL, EXECUTIVE OFFICER; GEORGE H. FIELD, COMMISSIONER OF COMMUNITY FACILITIES; WALTER DUNCAN, DEPUTY COMMISSIONER; AND D. E. A. CAMERON, BUDGET OFFICER, EWA

FUNDS AVAILABLE UNDER PRIOR APPROPRIATIONS

General FLEMING. You may remember that we have been up before you several times for appropriations for the public works advance planning program, under title V of the George bill. Our original request was for \$75,000,000 as approved by the Budget and by the President. But the appropriation was for only 17½ million dollars.

Senator McKELLAR. Instead of 75?

General FLEMING. Instead of 75; yes sir. The House gave us \$5,000,000, but the Senate approved \$35,000,000. There was a compromise in conference, and we got 17½ million dollars.

Then the next time we came up we asked for 107½ million dollars.

Senator McKELLAR. How much did you get?

General FLEMING. We got 12½ million dollars, sir. The 12½ million dollars and 17½ million dollars makes a total of \$30,000,000 that we have received to date.

BUDGET ESTIMATE AND HOUSE ALLOWANCE FOR CURRENT ITEM

This time our estimate and the Budget estimate, which the President requested, was \$50,000,000. We appeared before the House, went into a quite lengthy discussion, had quite extended hearings, and they gave us \$35,000,000.

I believe that we can operate for 8 or 9 months on it. It might be that we would have to come back to you for more. This program was

slow in getting under way at the beginning. After VJ-day, there was a very considerable acceleration in the demand for it.

Applications for advances are coming in a good volume now, and we feel that we certainly need not less than \$35,000,000.

Senator McKELLAR. What is the nature of the buildings or facilities that you are building?

REQUESTED FUNDS WILL PROVIDE ADVANCES TO STATES AND POLITICAL SUBDIVISIONS

General FLEMING. We are not building a thing with this money, Mr. Chairman. We make advances to States and political subdivisions for the preparation of plans for non-Federal public works. Most of the advances to date—a predominant part of them—have been for water and sewer systems, and for schools and hospitals.

Senator McKELLAR. All of this is for planning?

General FLEMING. This is solely for planning. And the law provides that we make the advance to them, which bears no interest, and when they obtain money to construct the public works, then they must return that advance to the Federal Treasury.

Some of those advances, under previous appropriations, have already been returned to the Federal Treasury.

PURPOSE OF ADVANCE PLANNING

None of this money is for construction. It is all for planning; the idea being to have a shelf of public works plans all ready to go in case we should meet a depression or unemployment, where the construction of public works can take up some slack of unemployment.

We are not encouraging any of these people to go ahead with construction at the present time, because of the demand for skilled labor and materials for housing for veterans. Only the most necessary public works should be started at the present time.

Before we make an advance to any public body for the preparation of plans, we first make sure that they have acquired the ground or acquired the rights-of-way for the public work that they intend to build. We also look into it to make sure that they are able to raise the money to do the actual construction work themselves when the time comes.

So it is not any hit-or-miss thing. It is all very carefully administered, and, already, in a few cases, the construction has been started on necessary works and the money advanced has been returned to the Treasury.

There was difficulty at the start of this program in securing the services of architects and engineers by the local communities, because many of them were in the armed services. They are now being discharged, and they are available to prepare the plans.

PROGRAM STARTED IN JUNE 1945

Senator THOMAS. How long have you been following this program of helping the cities and communities in getting up their plans?

Mr. FIELD. We started last June.

TOTAL ALLOTTED TO APRIL 30, 1946

Senator THOMAS. How much money has been expended on this particular item?

Mr. FIELD. Up until April 30, we had allotted \$25,900,000 out of the \$30,000,000 that was appropriated.

AMOUNT OF APPLICATION BACKLOG

Senator THOMAS. How much of a backlog of applications have you?

Mr. FIELD. We have a backlog now of \$32,000,000 of applications held up because of the fact that we have insufficient funds.

Senator THOMAS. If this \$35,000,000 is appropriated and these applications are worthy, then you will have no money as soon as you process these applications, will you?

Mr. FIELD. Of these \$32,000,000 of applications, we have reviewed \$7,000,000. We get some applications that we would not approve; for example where there is just an idea in somebody's mind that they might want to build some time.

We do not approve applications unless we know that there is some real basis of expectation that they will construct the public works. At the present time we have only \$7,000,000 of projects completely reviewed and ready to approve. Every day this amount is being increased so that the \$35,000,000 approved by the House will probably be absorbed within the next 8 or 9 months.

REQUIREMENTS OF APPLICANT

Senator THOMAS. You require the community or whatever it may be, to have the land, as a rule; do you not?

Mr. FIELD. The land, and the capacity to construct it with their own funds.

Senator THOMAS. Do you require money to be available in toto or in part?

Mr. FIELD. No, sir. Most communities vote bond issues, but they do not sell the bonds until they are ready to construct.

In the meantime, this program enables them to get the plans drawn, so that when the bonds are sold they will be ready to start constructing. Then the funds advanced to them will be returned to the Treasury.

General FLEMING. In this way, they are saved all that interest. Most of them have not the money to plan. Their planning money must come out of their construction money. When they have a bond issue authorized, they do not immediately sell the bonds, because they would have to start paying interest on the whole issue right away.

FUNDS ADVANCED FOR PLANNING ARE REPAYED

Senator MCKELLAR. Do they pay this back?

General FLEMING. Yes, sir.

Senator THOMAS. Do you charge a percentage of this administration fee against each approval so when they pay it back they pay back the original sum they receive plus an additional amount to replenish that?

General FLEMING. No, sir; they just pay back the amount we advance to them.

Senator THOMAS. At one time you had amounts available for making grants to cities?

General FLEMING. For construction; yes. That was under the Lanham Act. We no longer have such funds available.

Senator THOMAS. In the event the Congress should find it desirable to make available funds for construction purposes, under the present law, you could not make a grant to any town or community that has secured funds from this item, could you?

Mr. FIELD. You could not unless it was so provided in the law that made the grant available.

The Congress just recently passed the airport legislation making funds available for airport construction. They said in that bill that any expenses for planning that were incurred after that bill was passed could be considered a part of the total cost.

We believe that the local communities can themselves finance most of these projects that we are helping here. And we will get paid back the amount of money that we have advanced.

Senator THOMAS. Are you asking that this \$35,000,000 be increased to \$50,000,000?

General FLEMING. I have not asked for it; no, sir.

Senator THOMAS. Are you now asking for it?

General FLEMING. No, sir. I would like to have it, but I believe that we can continue the program for 8 or 9 months, at least. I am willing to do the best we can with the \$35,000,000.

Senator McKELLAR. Anything else, gentlemen?
If not, we are very much obliged to you.

Mr. FIELD. There are two other short items in the bill.

Senator McKELLAR. Are you interested in those?

General FLEMING. We are not asking for any change at this time.

Senator McKELLAR. All right. Thank you, gentlemen.

DISTRICT OF COLUMBIA

STATEMENT OF WILLIAM WILDING, DEPUTY BUDGET OFFICER,
DISTRICT OF COLUMBIA GOVERNMENT, ACCOMPANIED BY GUY
W. PEARSON, COLLECTOR OF TAXES; DR. CHRISTOPHER J.
MURPHY, DEPUTY CORONER; MISS CLARA W. HERBERT, LIBRARI-
AN; CLEMENT MURPHY, CHIEF OF FIRE DEPARTMENT; E. A.
SCHMITT, HEAD ENGINEER; D. M. RADCLIFF, SENIOR ENGINEER;
COL. C. A. DRAVO, ADJUTANT GENERAL, DISTRICT OF COLUMBIA
NATIONAL GUARD; AND CAPT. STEWART G. COOK, ADMINISTRA-
TIVE ASSISTANT, DISTRICT OF COLUMBIA NATIONAL GUARD

COLLECTOR'S OFFICE

Mr. WILDING. Mr. Guy W. Pearson, Collector of Taxes, will be the first witness.

Senator McKELLAR. All right, Mr. Pearson.

ESTIMATE OF REFUND FOR ERRONEOUS COLLECTIONS

Mr. PEARSON. Mr. Chairman, I have an item of \$65,000 that is recommended as an urgent deficiency, a supplemental, the purpose of which is to pay for certain refunds of erroneous collections by the Collector's office, which items have been audited and approved by the Auditor.

We actually have approximately \$64,000 at the present time of items awaiting payment to persons and firms who have erroneously paid taxes and subsequently been approved for refund.

Senator THOMAS. The District bill has not yet become law. Why were not these items carried in the bill, if you know?

Mr. PEARSON. There is a regular item of \$100,000 carried in the appropriation bill. That same appropriation was for the current year. Those funds were completely expended some months ago, and this is an unanticipated number of refund items occurring during the present fiscal year. If we postpone them until the 1st of July, when new funds would be available, why, we will be just that much worse off next year. These are absolutely needed during this current year to bring us up to date on refunds.

TEXT OF SUPPLEMENTAL ESTIMATE

Senator McKELLAR. It says here:

For an additional amount, fiscal year 1946, for the Collector's office, including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$65,000.

Senator THOMAS. Senator O'Mahoney was here a moment ago, and he has charge of the District bill.

Senator McKELLAR. I wish he had remained. I do not know whether we can get him or not.

Would you be able to pay the \$65,000 out before the 1st of July?

Mr. PEARSON. No, sir, Mr. Chairman. The current appropriation of \$100,000 is completely expended.

Senator McKELLAR. I know, but after this bill becomes a law, will you be able to pay out this \$65,000 before the 1st of July?

Mr. PEARSON. Yes, sir. We hope to.

Senator THOMAS. Are these items all to make up expenditures for the balance of this fiscal year?

Mr. PEARSON. They are to pay refunds that have been audited and approved.

They are erroneous collections by the Collector's Office.

Senator McKELLAR. You mean the \$65,000. Not the other items?

Mr. PEARSON. No, sir.

Senator McKELLAR. All right, sir.

Mr. FOWLER. The next item is the Coroner's Office. Dr. Murphy will justify it.

Senator McKELLAR. All right, Dr. Murphy.

CORONER'S OFFICE

JUSTIFICATION FOR REQUESTED ESTIMATE

Dr. MURPHY. The request for this additional money is to make up for fees to the deputy coroners and the reclassification of attendants

and personnel at the District Morgue, which was passed upon by Civil Service, retroactive as of January 15, 1945. The discrepancy in the figures, the difference between the amount of \$5,011, and the \$5,600-some-odd, or whatever it happens to be, is for outstanding vouchers of jurymen that have not been validated because of the fact that we have not the money to pay it.

Senator McKELLAR. All right, sir. What about the Public Library?

Mr. FOWLER. Miss Herbert is the Librarian, and she will justify the Library.

Senator THOMAS. If I understand all of these items, seven, eight or nine of them, they will be used to carry the District through until June 30 of this year.

Mr. FOWLER. That is correct, Senator; yes, sir.

PUBLIC LIBRARY

JUSTIFICATION OF ESTIMATE FOR SALARIES AND EXPENSES

Miss HERBERT. Our supplemental is \$27,500, of which \$20,900 is automatically required to cover the reallocations for salaries of employees that have been reclassified by the Civil Service Commission.

The additional \$6,600 is needed to keep the Library going on its full hours of service by reason of the fact of the 40-hour week, which reduced the service of our staff by 4 hours each, and also by a cut in the appropriation of the year 1946 of \$16,800.

Now, it is a public service, and we operate on a 12-hour day service, so that we cannot close our agencies, and we have to have the staff to keep the buildings open.

We have closed some of our children's rooms in the evening, but that is not very desirable, because of the use of room by parents. But the regular work of the library is in very difficult arrears because we have tried to keep the public service in operation, and keep all the branches going the full regular hours.

Senator McKELLAR. Thank you, ma'am.

Mr. FOWLER. The next is the fire department. Chief Murphy will present that.

Senator McKELLAR. All right, Chief.

FIRE DEPARTMENT

JUSTIFICATION OF ESTIMATE FOR SALARIES AND EXPENSES

Chief MURPHY. We need \$41,657.75 to meet our pay roll June 30. That is the uniformed force. We need \$221.23 to meet our civilian force pay roll. There are three people.

Senator McKELLAR. Well, now, what is the increase in the pay roll due to? Did you not make an estimate for your pay roll in the '46 budget?

Chief MURPHY. Yes, sir. The firemen received an increase in pay July 1, 1945.

Senator McKELLAR. From the Congress?

Chief MURPHY. Yes, sir. Public Law 349 appropriated \$383,400 to meet those increased costs, but from funds appropriated in our '45

budget, we took care of some \$100,000 of those increases without asking the Congress for additional funds to cover that amount.

However, we did not anticipate as many men returning from the armed forces at this early date as has occurred. In other words, of 53 men they are all back but about 22 or 23 men, and we have promised and must provide work for them.

Senator McKELLAR. All right, sir.

Mr. FOWLER. The next is St. Elizabeths Hospital, Mr. Wilding.

PUBLIC WELFARE

REQUESTED ESTIMATE FOR SUPPORT OF INDIGENT INSANE

Mr. WILDING. This is for an additional amount to reimburse the Federal Government for the support of indigent insane in St. Elizabeths Hospital, indigent insane of the District of Columbia. The District of Columbia appropriation act for 1946 included an item of \$2,956,500 for this purpose. A further appropriation of \$903,400 was included in the joint resolution, Public Law 349, to meet increased pay costs under the provisions of Public Law 106, making the total available \$3,859,900.

The appropriation for 1946 was originally based on a population of indigent insane of the District of Columbia in St. Elizabeths Hospital of 4,500 people, at a rate of \$1.80 per day. The actual figures disclose that for the first 10 months of the fiscal year the average population in the hospital, of District of Columbia indigent insane, has been 4,572, and the rate, which, as established by the board set up for that purpose, was \$2.35 a day, as distinguished from the \$1.80 expected or estimated.

NUMBER OF DISTRICT PEOPLE IN HOSPITAL

Senator THOMAS. How many people did you say were in the hospital from the District?

Mr. WILDING. Four thousand five hundred and seventy-two average, Senator Thomas.

Senator THOMAS. What is the population of the District now?

Mr. WILDING. Nine hundred and thirty-eight thousand is the latest estimated population.

COMPARISON WITH OTHER CITIES

Senator THOMAS. That would be about 5,000, then, on a population of a million. Now, is that comparable to other cities?

Do other cities of comparable population have 5,000 people insane in an institution?

Mr. FOWLER. Senator, it is a very high rate. There are reasons for it. Because so many people of that kind are dumped upon the city of Washington from all over the country; because so many come here to see you gentlemen here on the Hill. That is the reason we have such a high rate.

Senator McKELLAR. Is this the only institution for insane in the city?

Mr. WILDING. Yes, sir.

Senator McKELLAR. All right. What is the next one?

PUBLIC WORKS

ESTIMATE FOR OPERATING EXPENSES, SUPERINTENDENT OF DISTRICT BUILDINGS

Mr. WILDING. The next item is for an additional amount for the year 1946 for operating expenses, office of the Superintendent of District buildings, including the objects specified for that purpose in the District of Columbia Appropriation Act, 1946, \$1,750.

JUSTIFICATION FOR ESTIMATE REQUESTED

This additional amount is made necessary because the cost of steam furnished for heating certain buildings of the District of Columbia, principally the large so-called East Administration Building, the three court buildings, and the Recorder of Deeds building, was increased last December 1 by the Federal Works Administration without any prior notice from 55 to 65 cents per thousand pounds, which is an increase of approximately 18 percent.

Actually the cost of steam for the fiscal year 1946 would be \$24,400. The increase for 7 months of the current year, beginning last December 1, would have been \$3,500. But it is estimated that savings can be effected which will enable us to reduce this \$3,500 to the amount of the estimate here submitted, \$1,750.

Senator McKELLAR. What about the Washington aqueduct?

Mr. SCHMITT. Mr. Radcliff?

WASHINGTON AQUEDUCT

ESTIMATE FOR OPERATING EXPENSES, PAYABLE FROM WATER FUND

Mr. RADCLIFF. The sum of \$32,400 is required to finish out this current year of operation for the Washington aqueduct. That is the water supply for the city of Washington. This \$32,400 is made up of three items. The first is overtime pay for ungraded employees. Those are the per diem men. Thirteen thousand one hundred and sixty dollars for that.

The next is the increase in wage rates for the ungraded or per diem employees, \$9,910.

Recently we have been ordered to pay the night workers, men on night shifts, a 10 percent differential, which amounts to \$9,330.

The entire amount was required to take care of these increases.

PER CAPITA CONSUMPTION OF WATER

Senator THOMAS. What is the per capita consumption of water here in the District?

Mr. RADCLIFF. Approximately 355,000 gallons.

Senator THOMAS. How does that compare with other cities of a million population?

Mr. RADCLIFF. It is about median for the country. The city of Chicago runs much higher and in some it is slightly lower.

Senator McKELLAR. All right, sir. What about the National Guard?

Mr. FOWLER. It is the last item, and Col. C. A. Dravo, the Adjutant General, will justify the item.

NATIONAL GUARD

ESTIMATE FOR SALARIES AND EXPENSES

Colonel DRAVO. We are asking for \$968 to take care of personal services and \$18 worth of electricity, \$670 for the watchmen out at Simms, and \$280 to cover the return of Colonel Nevitt, who has been away on active service for about the last 4 years. That covers it for the month of June, that \$280, making a total of \$968.

Senator HAYDEN. The total amount here is listed as \$2,460.

Colonel DRAVO. That was before we turned over the storehouses at Simms to the General Accounting Office and Veterans' Administration and Federal Housing, and some to the District, and they provided their own watchmen out there, so that took that off my pay roll.

REVISED ESTIMATE REQUESTED

Senator McKELLAR. What is the amount you are asking for?

Colonel DRAVO. At the moment, \$968.

Senator THOMAS. That reduces the budget estimate there?

Colonel DRAVO. Yes, sir; the original one.

Senator McKELLAR. All right, sir. We thank you.

(Whereupon, at 3:42 p. m., Tuesday, June 4, 1946, hearings on the third urgent deficiency appropriation bill, 1946, were concluded.)

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CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued June 10, 1946
For actions of June 7 and 8, 1946
79th Cong., 2Nd Sess. No. 10-11

CONTENTS

Adjournment.....8,14	Crop insurance.....13	Price control....2,5,11,26
Administrative procedure.30	Dairy industry.....11	Reclamation.....21
Agricultural appropriation bill (individual items not indexed).....9	Education.....18,28	Relief, foreign.....29
Animal quarantine.....16	Fisheries.....20	Reports.....13
Appropriations.....3,4,9,10	Forestry.....7,24	Statistics.....25
Congressional reorganization.....1,3	Grain prices.....5,15	Surplus lands.....17
Cotton.....31	Health.....23	Trade, foreign.....31
	Inflation.....26	Veterans.....12,19
	Labor.....27	Wool.....22
	Personnel.....6,12,19	

HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate debated congressional-reorganization bill. Senate committee reported revised price-control; to come up for debate today. Sen. Hickenlooper criticized Porter's statement opposing price-control amendments and referred to BAE study on meat prices. Rep. Murray (Wis.) criticized OPA's "floor tax" on dairy products. Rep. Wickersham introduced bills to encourage sale of wheat and corn for foreign relief. Rep. Flanagan introduced Swan Island animal-quarantine bill. Senate Appropriations Committee reported Treasury-Post Office, Interior, Navy, and 3rd urgent deficiency bills. Sen. Butler submitted amendment to price-control bill to provide additional grain bonuses.

SENATE - June 7

1. CONGRESSIONAL REORGANIZATION. Continued debate on S. 2177, to provide for increased efficiency in the legislative branch (pp. 6560-91). Agreed to amendments by Sen. La Follette to provide for committee "watchfulness" of departments instead of "surveillance", to permit appropriation bills to be reported before the revenue and appropriating committees submit their over-all estimates, and to require the Joint Committee on the Economic Report to submit its reports by Mar. 15 so they can be considered by the revenue and appropriating committees under this bill; and an amendment by Sen. George, Ga., to require a record vote on the over-all difference between expenditures and receipts (p. 6568).
2. PRICE CONTROL. The Banking and Currency Committee reported with amendment H. R. 6042, to amend and continue the Emergency Price Control Act and the Stabilization Act (S. Rept. 1431) (p. 6587). Majority Leader Barkley said it was intended to bring up the bill today (p. 6587).
Received a petition from the Independent Trade Association, Hyattsville, Md., opposing continuation of OPA (p. 6559).
Sen. Hickenlooper, Iowa, criticized a statement by Paul Porter opposing the price-control bill and referred to a BAE study on the effects of abolition of meat-price control (pp. 6592-4).

SENATE - June 8

3. CONGRESSIONAL REORGANIZATION. Continued debate on S. 2177 (pp. 6641-66). Agreed to the following amendments: By Sen. Barkley, to amend Sec. 208 so as to give the President flexible authority in reducing appropriations and not require such reductions by a uniform percentage (p. 6659). By Sen. La Follette, to r

require the revenue and appropriating committees to give consideration to the President's budget recommendations in estimating receipts and expenditures (p. 6644).

4. APPROPRIATIONS. The Appropriations Committee reported the following bills with amendments: Treasury-Post Office (S. Rept. 1432); 3rd urgent deficiency, H. R. 6601 (S. Rept. 1433); Navy Department, H. R. 6496 (S. Rept. 1435); and H. R. 6335, Interior Department (S. Rept. 1434) (pp. 6640, 6647).
5. PRICE CONTROL. Sen. Butler, Nebr., submitted an amendment which he intends to propose to H. R. 6042, the price-control bill, to direct this Department to pay a 30-cent bonus for 1945 corn sold before Apr. 19, 1946, a 25-cent bonus for 1945 corn sold between Apr. 18 and May 13, 1946, a 45-cent bonus for all wheat of 1945 crop sold before Apr. 3, 1946, a 45-cent bonus for 1945 wheat sold between Apr. 2 and 19, 1946, and a 15-cent bonus for 1945 wheat sold between Apr. 18 and May 13, 1946 (except under certificate plan with respect to the last two items) (pp. 6640-1).
6. CIVIL-SERVICE RETIREMENT. Received from the President a recommendation for the enactment of an amendment to Sec. 6 of the Civil Service Retirement Act, relating to medical examinations for disability retirements.
7. FORESTRY. Sen. Wiley, Wis., inserted his statement and a Wis. lumber company's letter on the necessity for price relief on hardwood plywood (pp. 6641-2).
8. RECESSED until Mon., June 10 (p. 6666).

HOUSE - June 7

9. AGRICULTURAL APPROPRIATION BILL, 1947. Received the conference report on this bill, H.R. 5605 (pp. 6632-6). For a tabular statement indicating the actions of the conference committee, see page 5 of this Digest.
10. APPROPRIATIONS. Rep. Arends, Ill., criticized the large number of appropriations for Government expenditure and suggested that the Appropriations Committees suspend business after the regular appropriations are finished (p. 6601).
1. PRICE CONTROL; DAIRY PRODUCTS. Rep. Murray, Wis., criticized OPA's regulation placing a "floor tax" on dairy products, stating that "Mr. Bowles...is ridiculously out of his field of operation" (pp. 6600-1).
2. VETERANS; LEAVE. Began debate on H.R. 4051, to provide benefits to enlisted men in lieu of accumulated leave (pp. 6601-32).
3. REPORTS. Received from the Comptroller General a report of audit of the ECIC for the period July 1, 1941, to June 30, 1942; and an RFC operations report for the period Feb. 2, 1932, to Dec. 31, 1945 (p. 6637).
4. ADJOURNED until Mon., June 10 (p. 6637).

BILLS INTRODUCED - June 7

5. GRAINS. H.R. 6708, by Rep. Wickersham, Okla., to encourage the immediate sale of wheat and corn by providing for payments by the Government to compensate for future adjustments in price. To Banking and Currency Committee. (p. 6638.)
H.R. 6709, by Rep. Wickersham, Okla., to assure producers who sell wheat in aid of the emergency program designed to relieve distressed areas the bene-



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PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, SATURDAY, JUNE 8, 1946

No. 110

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, June 10, 1946, at 12 o'clock noon.

Senate

SATURDAY, JUNE 8, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, Thou only art eternal and changeless. Like infants with no language but a cry, we are but pilgrims of the night; beneath our uncertain feet is sinking sand, around us constant change, and in all things, including our mortal life, the seeds of decay sprout death. Our brief days are running out with hurrying pace as the terror of the shade closes in upon us, but at the altar of prayer faith flings open an escape into eternity, life which without Thee is mockery is flooded with meaning, our tasks are sanctified and glorified. The encircling gloom is not our home; therefore, will we not fear though the earth do change and though the mountains be shaken into the heart of the seas; though the nations rage and the kingdoms be moved, the God of hosts is with us, the God of Jacob is our refuge. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 7, 1946, was dispensed with, and the Journal was approved.

ORDER FOR RECESS TO 11 A. M. MONDAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its business for the day it stand in recess until 11 o'clock a. m. on Monday next.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I find it necessary to be absent from the Senate a few days, and I ask unanimous consent that I may be absent from the Senate next week.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Mitchell
Andrews	Gurney	Moore
Austin	Hayden	Murdock
Ball	Hickenlooper	O'Daniel
Barkley	Hill	Overton
Bridges	Hoey	Pepper
Brooks	Huffman	Robertson
Burch	Johnson, Colo.	Russell
Bushfield	Johnston, S. C.	Saltonstall
Butler	Knowland	Stanfill
Capehart	La Follette	Stewart
Capper	Lucas	Thomas, Okla.
Connally	McCarran	Thomas, Utah
Cordon	McClellan	Vandenberg
Donnell	McKellar	Walsh
Downey	McMahon	Wheeler
Ferguson	Maybank	Wherry
Fulbright	Mead	White
George	Millikin	Wiley
Gerry		Wilson

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Alabama [Mr. BANKHEAD] are absent because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], and the Senators from Idaho [Mr. GOSSETT and Mr. TAYLOR] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent by leave of the Senate because of a death in his family.

The Senator from Missouri [Mr. BRIGGS] is absent because of a death in his family.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Delaware [Mr. TUNNELL], and the Senator from New York [Mr. WAGNER] are detained on public business.

The Senator from Arizona [Mr. McFARLAND] is absent on official business.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], the Senator from New Jersey [Mr. SMITH], the Senator from Ohio [Mr. TAFT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Indiana [Mr. WILKS] are necessarily absent.

The Senator from Connecticut [Mr. HART], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business.

The PRESIDENT pro tempore. Sixty Senators having answered to their names, a quorum is present.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on June 7, 1946, he presented to the President of the United States the following enrolled bills:

S. 1776. An act to authorize the exchange of certain land at the Benicia Arsenal, Calif.; and

S. 1872. An act to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, the report of that Corporation covering its operations for the period from its organization on February 2, 1932, to December 31, 1945, inclusive (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF 1930

A letter from the President of the United States Civil Service Commission, recommending the enactment of legislation to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT—PETITION

The PRESIDENT pro tempore laid before the Senate a petition of sundry members of the armed forces of the United States stationed in Okinawa, praying for the enactment of legislation to extend the Selective Training and Service Act, which was referred to the Committee on Military Affairs.

TIDEWATER LANDS

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a resolution adopted by the Thirty-eighth Annual Governors' Conference at Oklahoma City, Okla., on May 29, 1946, relating to tidewater lands.

There being no objection, the resolution was received and ordered to be printed in the RECORD, as follows:

Whereas the stability of State economy, the perpetuation of State sovereignty, and the protection to countless investors, bondholders, and lessees and successors in title of the several States, necessitate immediate and effective legislative relief in quieting the titles of the several States to lands beneath tidal and navigable waters; and

Whereas the House of Representatives in September 1945 passed with but 11 dissenting votes House Joint Resolution No. 225 to accomplish this purpose: Now, therefore, be it

Resolved by the governors' conference, That the Senate of the United States be requested and urged to act favorably upon House Joint Resolution No. 225, prior to adjournment of the Seventy-ninth Congress.

OPA AND LABOR LEGISLATION—PETITION

Mr. HICKENLOOPER. Mr. President, I have received a letter from a citizen of

Logan, Iowa, in connection with the OPA and labor legislation. I ask unanimous consent that it be printed in the RECORD without the signature attached.

There being no objection, the letter was ordered to be printed in the RECORD without the signature attached, as follows:

LOGAN, IOWA, June 4, 1946.

Senator BOURKE HICKENLOOPER,

Washington, D. C.

DEAR SIR: Am not in the habit of writing to our Members in Congress but the OPA has got me started. Wanted to build a little frame for a jig saw, but there isn't enough lumber in the yards to build a small dog house. Tuesday and Thursday no meat in the stores. Other days, get there early if you want any. Shortage of sugar, no sirup, numerous other articles of food that just "aint." Am not complaining about the shortage of bread, people of Europe need that, but the scarcity is not due to Europe's need, but just plain bungling by the starry-eyed boys in Washington. Kill the OPA, with a few exceptions like rent, until supply meets demand and prices will go up but level off when production meets demand. The OPA is making liars and crooks out of the American people and if you want to know what it is doing to the women go in a store when a scarce article is on sale.

Carry a card in the printers' union and think unions are a good thing, but when they become rackets and means of holding up the public, am against them. Would like to see the Case bill pass as permanent legislation and the President's emergency bill, minus the draft clause and profits to the Treasury.

We have the greatest country in the world. The Lord expects us to take care of it, but we are in a bigger fight now than the war. The Midwest, South, and North, is still American, the west coast partly so, but we may have to whip the east coast and put them back in America. Success to you. Have no errands now or later for, you to take on.

Yours truly,

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5452. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 1432); and

H. R. 6601. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 1433).

By Mr. OVERTON, from the Committee on Appropriations:

H. R. 6496. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 1435).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

S. 2314. A bill to provide for the adjustment of repayment contract, cancellation of irrigation charges, and amendment of certain provisions of the act of May 10, 1926 (44 Stat. 464), and acts amendatory thereof or supplementary thereto, and for other purposes, Flathead irrigation project, Montana; to the Committee on Indian Affairs.

By Mr. McMAHON:

S. 2315. A bill for the relief of Mrs. Mary Enta Kitajima; to the Committee on Immigration.

By Mr. CAPPER:

S. 2316. A bill for the relief of Col. Frank R. Loyd; to the Committee on Claims.

By Mr. WALSH:

S. 2317. A bill to authorize the President to appoint Rear Adm. Hayne Ellis, United States Navy, retired, an admiral on the retired list of the Navy; to the Committee on Naval Affairs.

By Mr. MITCHELL:

S. 2318. A bill to amend the act of May 11, 1938, for the conservation of the fishery resources of the Columbia River, and for other purposes; to the Committee on Commerce.

By Mr. CORDON:

S. 2319. A bill for the relief of Mrs. Clara Bortner; to the Committee on Claims.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS OF 1942—REIMBURSEMENT IN WHEAT AND CORN TRANSACTIONS—AMENDMENT

Mr. BUTLER. Mr. President, recently I introduced a bill to provide for reimbursement of 30 cents a bushel to all farmers who sold their wheat and corn before the Government started to pay a bonus of that amount to farmers who had held back their grain. Thousands of farmers who sold their grain early in the season in response to the Government's urgent request lost the advantage of this 30-cent bonus and the higher ceilings, and they feel that they were not treated fairly by the Government. They feel that they have lost because of their patriotism.

Since it appears that there may be some delay in securing passage of the bill which I have already introduced, I have prepared an amendment to the Price Control Act which would require the Secretary of Agriculture to reimburse these farmers for that loss. I ask that the amendment may be printed, so that I may present it at the proper time.

I also ask that the amendment be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Without objection, the amendment will be printed and lie on the table; and, without objection, the amendment may be printed in the RECORD.

The amendment is as follows:

Amendment intended to be proposed by Mr. BUTLER to the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

At the proper place, insert the following new section:

"SEC. —. (a) The Secretary of Agriculture is authorized and directed to pay, through the Commodity Credit Corporation, to any farmer, upon application and the furnishing of satisfactory proof—

"(1) a bonus of 30 cents per bushel for all corn of the 1945 crop produced and sold by him before April 19, 1946;

"(2) a bonus of 25 cents per bushel for all corn of the 1945 crop produced by him and sold after April 18, 1946, and before May 13, 1946, on which he has not received a bonus of 30 cents per bushel;

"(3) a bonus of 45 cents per bushel for all wheat of the 1945 crop produced and sold by him before April 3, 1946;

"(4) a bonus of 45 cents per bushel for all wheat of the 1945 crop produced by him and sold after April 2, 1946, and before April 19,

THIRD URGENT DEFICIENCY APPROPRIATION
BILL, 1946

JUNE 8 (legislative day, MARCH 5), 1946.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted
the following

REPORT

[To accompany H. R. 6601]

The Committee on Appropriations, to whom was referred the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	\$661, 520, 810. 89
Amount of reduction by Senate	24, 732, 142. 00
Amount of bill as reported to Senate	636, 788, 668. 89

The estimates of appropriations upon which the bill is based are contained in House Documents Nos. 550, 552-556, 569, 585, 589, 593, 597, 598, 605, 606, 609, 610, 611, and 614, and Senate Document No. 195, aggregating \$676,444,960.89.

The changes recommended by the committee in the amounts of the House bill are as follows:

INCREASES AND LIMITATIONS

Senate:

*Payment to the widow of Senator Glass	\$10, 000. 00
Pay of pages: The committee recommend the inclusion of the following paragraph providing for the pay of pages from July 1, 1946, to the last day of the month in which the Seventy-ninth Congress adjourns:	

INCREASES AND LIMITATIONS—Continued

Senate—Continued

Office of Sergeant at Arms and doorkeeper. For the payment of 21 pages for the Senate Chamber, at \$5 per day each, for the period commencing July 1, 1946, and ending with the last day of the month in which the Seventy-ninth Congress adjourns sine die at the second session thereof, so much as may be necessary.

Additional telephone operators-----	\$15, 000. 00
Total, Senate-----	25, 000. 00

District of Columbia:

Fiscal service:	
Collector's office-----	65, 000. 00
(This amount is necessary to enable the Collector's office to make refunds authorized by law.)	
Regulatory agencies:	
Coroner's office-----	5, 640. 00
(This amount is necessary on account of increased time for two deputy coroners and reallocation of certain employees.)	
Public Library:	
Salaries and expenses-----	7, 500. 00
(This amount is due to reallocation of salaries of employees and to the need for additional funds to maintain the customary hours of service of the Library.)	
Fire Department:	
Salaries and expenses-----	47, 500. 00
(This amount is due to the totally unexpected acceleration in the rate of return of men from the armed forces.)	
Public Welfare:	
St. Elizabeths Hospital-----	62, 100. 00
(This amount is necessary to meet the costs of maintaining the District's mental cases at St. Elizabeths Hospital.)	
Public works:	
Operating expenses, Office of Superintendent of District Buildings-----	1, 750. 00
(This amount is necessary to meet the increased cost of steam purchased by the Office of Superintendent of District Buildings.)	
Washington aqueduct:	
Operating expenses-----	32, 400. 00
(This amount is required to meet overtime payments to ungraded employees; to defray increased operating expenses to cover the revised wage scale schedule for ungraded employees; and to provide funds for the payment of night differential to ungraded employees.)	
National Guard:	
Salaries and expenses-----	968. 00
(This amount is needed to provide guard service at Camp Sims and for electric service at the Camp.)	

Total, District of Columbia-----	242, 858. 00
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INCREASES AND LIMITATIONS—Continued

Section 201:

The committee recommend that the following section be stricken from the bill:

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

and the following inserted in lieu thereof:

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employes that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hercof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

The effect of the changes suggested is to include within its language a prohibition against the use of any appropriation in the Third Urgent Deficiency Appropriation

INCREASES AND LIMITATIONS—Continued

Section 201—Continued

Act, 1946, to pay the salary or wages of any person who engages in strikes against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States.

Section 202:

It is recommended by the committee that section 202 be amended to read as follows:

SEC. 202. The appropriations and authority with respect to appropriations contained in ~~any regular annual appropriation Act for the fiscal year 1947, not a law on July 1, 1946~~ (1) *any regular annual appropriation Act for the fiscal year 1947, or* (2) *contained in other than a regular annual appropriation Act for the fiscal year 1947, and being for such fiscal year, or* (3) *contained in other than a regular annual appropriation Act for the fiscal year 1947, and being supplemental to an existing appropriation and for obligation after June 30, 1946, such Acts not being laws on July 1, 1946,* shall be available from and including July 1, 1946, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1946, and the date of enactment of such appropriation Acts as may not have been enacted on or before July 1, 1946, in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Total increase-----	\$267, 858. 00
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DECREASES AND LIMITATIONS

Federal Works Agency:

Advanced planning-----	25, 000, 000. 00
Total decrease-----	25, 000, 000. 00
Total increase-----	267, 858. 00

Net decrease-----	24, 732, 142. 00
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Amount of bill as reported to the Senate-----	636, 788, 668. 89
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Calendar No. 1460

79TH CONGRESS
2^D SESSION

H. R. 6601

[Report No. 1433]

IN THE SENATE OF THE UNITED STATES

MAY 31 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Appropriations

JUNE 8 (legislative day, MARCH 5), 1946

Reported by Mr. McKELLAR, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, to
5 supply deficiencies in certain appropriations for the fiscal
6 year ending June 30, 1946, and for prior fiscal years, to
7 provide supplemental appropriations for the fiscal year
8 ending June 30, 1946, and for other purposes, namely:

1 TITLE I—GENERAL APPROPRIATIONS

2 LEGISLATIVE

3 SENATE

4 *For payment to Mary Scott Glass, widow of Carter*
5 *Glass, late a Senator from the State of Virginia, \$10,000.*

6 *Office of Sergeant at Arms and Doorkeeper. For the*
7 *payment of twenty-one pages for the Senate Chamber, at*
8 *\$5 per day each, for the period commencing July 1, 1946,*
9 *and ending with the last day of the month in which the*
10 *Seventy-ninth Congress adjourns sine die at the second session*
11 *thereof, so much as may be necessary.*

12 *For the employment of an additional assistant chief*
13 *telephone operator at \$2,400 per annum, and seven addi-*
14 *tional telephone operators at \$1,800 per annum each, fiscal*
15 *year 1947, \$15,000.*

16 HOUSE OF REPRESENTATIVES

17 OFFICE OF THE CLERK

18 Salaries: For the employment of eight additional tele-
19 phone operators at the basic rate of \$1,800 per annum each
20 (authorized by House Resolution Numbered 628, adopted
21 May 21, 1946), fiscal year 1947, \$14,400.

22 COMMITTEE EMPLOYEES

23 Stenographer, Committee on Expenditures in the Execu-
24 tive Departments, at the rate of \$2,400 per annum, fiscal
25 year 1947, \$2,400.

OFFICE OF DOORKEEPER

Salaries: For payment of fifty pages, including ten pages for duty at the entrances to the Hall of the House, from July 1 to December 31, 1946, both dates inclusive, at \$5 per day each, fiscal year 1947, \$46,000.

CONTINGENT EXPENSES OF THE HOUSE

Reporting hearings: For an additional amount for stenographic reports of hearings of committees other than special and select committees, fiscal year 1946, \$5,000.

Telegraph and telephones: For an additional amount for telegraph and telephone service, exclusive of personnel services, fiscal year 1946, \$25,000.

Folding documents: For an additional amount for folding speeches and pamphlets at a rate not to exceed \$1 per thousand or for the employment of personnel at a rate not exceeding \$5.20 per day per person, fiscal year 1946, and to remain available until June 30, 1947, \$15,000.

INDEPENDENT OFFICES

FEDERAL POWER COMMISSION

Penalty mail costs: For an additional amount, fiscal year 1946, for deposit in the general fund of the Treasury for cost of penalty mail of the Federal Power Commission, \$1,000.

FEDERAL WORKS AGENCY

BUREAU OF COMMUNITY FACILITIES

Public works advance planning: For an additional amount for "Public works advance planning", ~~\$35,000,000~~ \$10,000,000, which together with the appropriations for this purpose in the Independent Offices Appropriation Act, 1946, and the First Deficiency Appropriation Act, 1946, shall remain available until June 30, 1947, of which total amount not to exceed ~~\$1,182,000~~ \$250,000 shall be available for administrative expenses during fiscal year 1947, including objects specified under this head in said Independent Offices Act.

Maintenance and operation of schools: For carrying out the provisions of "An Act to expedite the provision of housing in connection with national defense, approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes" (H. R. 5796, Seventy-ninth Congress), not to exceed \$7,000,000 of the unobligated balances of the funds heretofore appropriated for carrying out the provisions of titles II and III of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541) to remain available until June 30, 1947, of which amount not to exceed \$280,000 shall be available for administrative

1 expenses, including the objects specified under the head
2 “Defense public works (community facilities)” in the Second
3 Deficiency Appropriation Act, 1941, and the joint resolu-
4 tion approved December 23, 1941 (Public Law 371).

5 War public works (community facilities) liquidation:
6 For all administrative expenses necessary during the fiscal
7 year 1947 for the liquidation of all activities under titles II,
8 III, and IV of the Act of October 14, 1940, as amended
9 (42 U. S. C. 1531-1534, 1541, and 1562), except those
10 under the appropriation “Maintenance and operation of
11 schools”, not to exceed \$1,000,000 of the unobligated bal-
12 ances of the funds heretofore appropriated for carrying out
13 the provisions of titles II, III, and IV of the Act of October
14 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and
15 1562), including personal services and rents in the District
16 of Columbia and elsewhere; printing and binding; operation
17 and maintenance of passenger automobiles; of which amount
18 \$150,000 shall be for payment for accumulated and accrued
19 leave of employees separated from the Government service
20 due to said liquidation.

21 OFFICE OF DEFENSE TRANSPORTATION

22 Salaries and expenses: The limitation under the head
23 “Office of Defense Transportation” on the amount available
24 for printing and binding fixed at \$14,000 by the First

1 Supplemental Surplus Appropriation Rescission Act, 1946,
2 is hereby increased to \$20,000.

3 VETERANS' ADMINISTRATION

4 Administration, medical, hospital, and domiciliary serv-
5 ices: For an additional amount, fiscal year 1946, for "Admin-
6 istration, medical, hospital, and domiciliary services", includ-
7 ing the objects specified under this head in the Independent
8 Offices Appropriation Act, 1946, \$59,000,000.

9 Printing and binding: For an additional amount, fiscal
10 year 1946, for printing and binding for the Veterans'
11 Administration, \$740,000.

12 Penalty mail costs: For an additional amount, fiscal
13 year 1946, for deposit in the general fund of the Treasury
14 for cost of penalty mail of the Veterans' Administration,
15 \$916,000.

16 National service life insurance: For an additional amount,
17 fiscal year 1946, for "National service life insurance", in-
18 cluding the objects specified under this head in the Inde-
19 pendent Offices Appropriation Act, 1946, \$356,000,000, to
20 remain available until expended.

21 Hospital and domiciliary facilities: For proceed-
22 ing with the provision of those hospital and domiciliary
23 facilities on account of which appropriations heretofore
24 made remain unobligated, in addition to such appropriations
25 remaining unobligated the Administrator of Veterans' Af-

1 fairs may, prior to July 1, 1947, enter into contracts and
2 incur obligations to an amount not in excess of \$441,250,-
3 000: *Provided*, That not to exceed 6.7 per centum of
4 *this contract authorization plus* unobligated balances of
5 appropriations under this head for the fiscal year 1947
6 and prior fiscal years shall be available for the em-
7 ployment in the District of Columbia and in the
8 field of all necessary technical and clerical personnel
9 for the preparation of plans and specifications for the projects
10 as approved hereunder and in the supervision of the exe-
11 cution thereof, and for all traveling expenses, field office
12 equipment, and supplies in connection therewith, except
13 that whenever Veterans' Administration finds it necessary
14 in the construction of any project to employ other Govern-
15 ment agencies or persons outside the Federal service to
16 perform such services not to exceed 10 per centum of the
17 cost of such ~~project~~ *projects* may be expended for such
18 services.

19 *DISTRICT OF COLUMBIA*

20 *FISCAL SERVICE*

21 *Collector's office: For an additional amount, fiscal year*
22 *1946, for "Collector's office", including the objects specified*
23 *for this purpose in the District of Columbia Appropriation*
24 *Act, 1946, \$65,000.*

1 REGULATORY AGENCIES

2 *Coroner's office: For an additional amount, fiscal year*
3 *1946, for "Coroner's office", including the objects specified*
4 *for this purpose in the District of Columbia Appropriation*
5 *Act, 1946, \$5,640.*

6 PUBLIC LIBRARY

7 *Salaries and expenses: For an additional amount, fiscal*
8 *year 1946, for "Salaries and expenses, Public Library",*
9 *including the objects specified under this head in the District*
10 *of Columbia Appropriation Act, 1946, \$27,500.*

11 FIRE DEPARTMENT

12 *Salaries and expenses: For an additional amount, fiscal*
13 *year 1946, for “Salaries and expenses, Fire Department”,*
14 *including the objects specified under this head in the District*
15 *of Columbia Appropriation Act, 1946, \$47,500.*

16 PUBLIC WELFARE

17 *Mental Rehabilitation Service -*

18 *Saint Elizabeths Hospital: For an additional amount,*
19 *fiscal year 1946, for "Saint Elizabeths Hospital", including*
20 *the objects specified under this head in the District of Colum-*
21 *bia Appropriation Act, 1946, \$62,100.*

22 PUBLIC WORKS

23 *Operating expenses, Office of Superintendent of District*
24 *Buildings: For an additional amount, fiscal year 1946, for*

1 *“Operating expenses, Office of Superintendent of District*
 2 *Buildings”, including the objects specified under this head*
 3 *in the District of Columbia Appropriation Act, 1946, \$1,750.*

4 WASHINGTON AQUEDUCT

5 *Operating expenses (payable from water fund): For an*
 6 *additional amount, fiscal year 1946, for “Operating expenses*
 7 *(payable from water fund)”, including the objects specified*
 8 *under this head in the District of Columbia Appropriation*
 9 *Act, 1946, \$32,400.*

10 NATIONAL GUARD

11 *Salaries and expenses: For an additional amount, fiscal*
 12 *year 1946, for “Salaries and expenses, National Guard”,*
 13 *including the objects specified under this head in the District*
 14 *of Columbia Appropriation Act, 1946, \$968.*

15 DIVISION OF EXPENSES

16 *The sums appropriated in this Act for the District of*
 17 *Columbia, shall, unless otherwise specifically provided, be*
 18 *paid out of the general fund of the District of Columbia,*
 19 *as defined in the District of Columbia Appropriation Act,*
 20 *1946.*

21 DEPARTMENT OF JUSTICE

22 LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

23 *For an additional amount, fiscal year 1946, for personal*
 24 *services, as follows:*

1 Administrative Division, \$7,500;

2 Tax Division, \$9,000;

3 Criminal Division, \$20,000;

4 Office of the Assistant Solicitor General, \$10,210;

5 Office of Pardon Attorney, \$392.

6 Printing and binding: For an additional amount, fiscal
7 year 1946, for "Printing and binding", \$75,000.

8 Salaries and expenses, Lands Division: For an additional
9 amount, fiscal year 1942, for "Salaries and expenses, Lands
10 Division", including the objects specified under this head
11 in the Department of Justice Appropriation Act, 1942,
12 \$408.89.

13 Fees of witnesses: For an additional amount, fiscal year
14 1946, for "Fees of witnesses", including the objects speci-
15 fied under this head in the Department of Justice Appro-
16 priation Act, 1946, \$63,500: *Provided*, That the limitation
17 on the amount which may be expended for compensation
18 and expenses of witnesses or informants authorized or ap-
19 proved by the Attorney General is hereby increased from,
20 \$25,000 to \$50,000.

21 Pay and expenses of bailiffs: For an additional amount
22 fiscal year 1946, for "Pay and expenses of bailiffs", includ-
23 ing the objects specified under this head in the Department
24 of Justice Appropriation Act, 1946, \$20,000.

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

Grants to States for emergency maternity and infant care (national defense): For an additional amount, fiscal year 1946, for "Grants to States for emergency maternity and infant care (national defense)", including the objects specified under this head in the Department of Labor Appropriation Act, 1946, \$1,974,000.

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

For additional amounts, fiscal year 1946, for appropriations of the Post Office Department, including the objects specified in the Post Office Department Appropriation Act, 1946, under each head respectively, as follows:

OFFICE OF THE POSTMASTER GENERAL

Adjusted losses and contingencies, \$10,000;

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters, \$2,156,000;

Compensation to assistant postmasters, \$325,000;

Clerks, first- and second-class post offices, \$15,800,000;

Miscellaneous items, first- and second-class post offices, \$68,000;

Carfare and bicycle allowance, \$60,000;

City delivery carriers, \$11,000,000;

1 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

2 Star-route service, \$810,000;

3 Railroad transportation and mail messenger service,
4 \$1,000,000;

5 Railway Mail Service, \$1,683,000;

6 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

7 Rent, light, power, fuel, and water, \$500,000;

8 Pneumatic-tube service, New York City, \$14,300;

9 Transportation of equipment and supplies, \$187,500;

10 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

11 Operating force, \$700,000;

12 Operating supplies, public buildings, \$112,200.

13 INCREASED PAY COSTS

14 For payment of increased pay costs for the period Janu-
15 ary 1, 1946, to June 30, 1946, as authorized by the Act
16 of May 21, 1946 (Public Law 386), \$79,661,100, to be
17 apportioned as indicated in House Document Numbered 610,
18 Seventy-ninth Congress.

19 TREASURY DEPARTMENT

20 FISCAL SERVICE

21 BUREAU OF ACCOUNTS

22 Salaries and expenses: For an additional amount for
23 salaries and expenses, Bureau of Accounts, fiscal year 1947,
24 including the objects specified under this head in the Treasury
25 Department Appropriation Act, 1947, for obligations (in-

cluding payment of accrued annual leave) incurred by and the liquidation of War Agencies placed in liquidation during the fiscal year 1946, \$75,400, of which \$30,000 shall be immediately available.

Division of Disbursement, salaries and expenses: For an additional amount, fiscal year 1946, for salaries and expenses, Division of Disbursement, \$825,000.

WAR DEPARTMENT—CIVIL FUNCTIONS

CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

For all expenses necessary, not otherwise provided for to enable the Secretary of War to carry out his responsibilities in connection with evacuation and return to their homeland of the remains of members of the armed forces and certain citizens and employees of the United States as authorized by the Act of May 16, 1946, Public Law Numbered 383, including funeral and burial expenses or payment of allowances in lieu thereof; personal services at the seat of government (not to exceed \$1,350,000) and elsewhere; construction of buildings and facilities; acquisition of real estate or interests therein; purchase, operation, maintenance, and repair of passenger automobiles; printing and binding; settlement of claims incident to and resulting from activities pursuant to said Act in accordance with the Act approved July 3, 1943 (31 U. S. C. 223b); and communication and other services and supplies at the seat of

1 government or elsewhere; \$92,500,000, to remain available
 2 until expended: *Provided*, That the Secretary of War is
 3 authorized to furnish, without reimbursement, supplies and
 4 equipment in excess of the needs of the Military Establish-
 5 ment and to make available existing facilities of the Military
 6 Establishment to the fullest extent possible for the accom-
 7 plishment of the objects provided for herein: *Provided*
 8 *further*, That expenditures from this appropriation may
 9 be made when necessary to carry out its purpose without
 10 regard to sections 355, 1136, 3648, 3709, and 3734, Re-
 11 vised Statutes, as amended, or civil service and classification
 12 laws.

13 THE JUDICIARY

14 MISCELLANEOUS ITEMS OF EXPENSE

15 Probation system, United States courts: For an addi-
 16 tional amount, fiscal year 1946, for "Probation system,
 17 United States Courts", \$20,000.

18 Miscellaneous salaries: For an additional amount, fiscal
 19 year 1946, for "Miscellaneous salaries", \$10,000.

20 Salaries, court reporters: For an additional amount,
 21 fiscal year 1946, for "Salaries, court reporters", \$58,500.

22 TITLE II—GENERAL PROVISIONS

23 SEC. 201. No part of any appropriation contained in
 24 this Act shall be used to pay the salary or wages of any
 25 person who advocates, or who is a member of an organiza-

1 tion that advocates the overthrow of the Government of
2 the United States by force or violence: *Provided*, That for
3 the purposes hereof an affidavit shall be considered prima
4 facie evidence that the person making the affidavit does not
5 advocate, and is not a member of an organization that
6 advocates, the overthrow of the Government of the United
7 States by force or violence: *Provided further*, That any per-
8 son who advocates, or who is a member of an organization
9 that advocates, the overthrow of the Government of the
10 United States by force or violence and accepts employment
11 the salary or wages for which are paid from any appropria-
12 tion contained in this Act shall be guilty of a felony and,
13 upon conviction, shall be fined not more than \$1,000 or
14 imprisoned for not more than one year, or both: *Provided*
15 *further*, That the above penal clause shall be in addition to,
16 and not in substitution for, any other provision of existing
17 law.

18 *SEC. 201. No part of any appropriation contained in*
19 *this Act shall be used to pay the salary or wages of any*
20 *person who engages in a strike against the Government of*
21 *the United States or who is a member of an organization*
22 *of Government employees that asserts the right to strike*
23 *against the Government of the United States, or who advo-*
24 *cates, or is a member of an organization that advocates, the*
25 *overthrow of the Government of the United States by force*

1 or violence: *Provided, That for the purposes hereof an*
2 *affidavit shall be considered prima facie evidence that the*
3 *person making the affidavit has not contrary to the provisions*
4 *of this section engaged in a strike against the Government*
5 *of the United States, is not a member of an organization of*
6 *Government employees that asserts the right to strike against*
7 *the Government of the United States, or that such person*
8 *does not advocate, and is not a member of an organization*
9 *that advocates, the overthrow of the Government of the*
10 *United States by force or violence: Provided further, That*
11 *any person who engages in a strike against the Government*
12 *of the United States or who is a member of an organization*
13 *of Government employees that asserts the right to strike*
14 *against the Government of the United States, or who ad-*
15 *vocates, or who is a member of an organization that advo-*
16 *cates, the overthrow of the Government of the United States*
17 *by force or violence and accepts employment the salary or*
18 *wages for which are paid from any appropriation contained*
19 *in this Act shall be guilty of a felony and, upon conviction,*
20 *shall be fined not more than \$1,000 or imprisoned for not*
21 *more than one year, or both: Provided further, That the*
22 *above penalty clause shall be in addition to, and not in*
23 *substitution for, any other provisions of existing law.*

24 SEC. 202. The appropriations and authority with respect
25 to appropriations contained in ~~any regular annual appropria-~~

tion Act for the fiscal year 1947, not a law on July 1, 1946
 (1) any regular annual appropriation Act for the fiscal
 year 1947, or (2) contained in other than a regular annual
 appropriation Act for the fiscal year 1947, and being for
 such fiscal year, or (3) contained in other than a regular
 annual appropriation Act for the fiscal year 1947, and
 being supplemental to an existing appropriation and for ob-
 ligation after June 30, 1946, such Acts not being laws on
 July 1, 1946, shall be available from and including July 1,
 1946, for the purposes respectively provided in such appro-
 priations and authority. All obligations incurred during the
 period between June 30, 1946, and the date of enactment of
 such appropriation Acts as may not have been enacted on or
 before July 1, 1946, in anticipation of such appropriations
 and authority are hereby ratified and confirmed if in accord-
 ance with the terms thereof.

SEC. 203. This Act may be cited as the "Third Urgent
 Deficiency Appropriation Act, 1946".

Passed the House of Representatives May 29, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

79TH CONGRESS
2^D Session

H. R. 6601

[Report No. 1433]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

MAY 31 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on
Appropriations

JUNE 8 (legislative day, MARCH 5), 1946

Reported with amendments

H. R. 6601

IN THE SENATE OF THE UNITED STATES

JUNE 11 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JOHNSTON of South Carolina to the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, viz: In the committee amendment, on page 2, strike out lines 6 to 11, inclusive, and insert in lieu thereof the following:

- 1 For the payment of twenty-one pages for the Senate
- 2 Chamber, at \$5 per day each, for the period July 1, 1946,
- 3 to December 31, 1946, both dates inclusive, fiscal year 1947,
- 4 \$19,320.

AMENDMENT

Intended to be proposed by Mr. Johnston of South Carolina to the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

JUNE 11 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued June 17, 1946
For actions of June 14, 15, 1946
79th-2nd, Nos. 115 and 116

CONTENTS

Accounting.....14	Food production.....31,38	Nomination.....8
Adjournment.....18,25	Food shortages.....33,34,38	Patents.....7
Appropriations..13,14,15,17	Forestry.....2	Personnel.....6,27
Bankruptcy.....16	Grain shortage.....22,29	Price control..12,19,23,36
Buildings and grounds.21,37	Housing.....28	Property, surplus.....4
Corporations.....9	Lend-lease.....23	Reclamation.....4
Dairy industry.....1	Limitations statute.....10	Relief, foreign...24,26,34
Economic concentration...11	Loans, farm.....8	Reorganization.....32
Flag.....5	Loans, foreign.....20	Reports.....23
Food distribution.....38	Minerals.....3	Sugar.....30

HIGHLIGHTS: Senate passed bill to authorize condemnation of unfit materials in process or renovated butter; ready for President. Senate passed bill to give forest-range permittees exclusive and perpetual right to grazing permits, to provide for grazing boards, etc. Senate passed bill to promote mineral development on public domain. Senate confirmed nomination of Duggan as FCA Governor. House sent price-control bill to conference. Rep. Voorhis urged diversion of grain from liquor to relieve shortage. Rep. Merrow introduced measure to create committee to investigate U.S. grain and food commitments to foreign countries. President approved bill to give FWA additional powers over buildings and grounds (June 14).

SENATE - June 14

1. BUTTER INSPECTION. Passed without amendment H. R. 3611, to authorize condemnation of unfit materials used in process or renovated butter (p. 7018). This bill will now be sent to the President.
2. FORESTRY. Passed as reported S. 33, to confer upon present users of national-forest range, or purchasers from users, an exclusive and perpetual right to grazing permits, to define the kind of property commensurate with and prerequisite to permitted use of range, to provide for advisory boards in connection with use of range, and to guard against establishment of vested rights in public property (pp. 7017-8).
3. MINERALS. Passed as reported S. 1236, to promote development of oil and gas on the public domain (as amended, does not include USDA land) (pp. 7032-4).
4. RECLAMATION. Passed as reported S. 1672, to authorize transfer to Interior of surplus property of Federal agencies on reclamation projects (pp. 7037-8).
5. PULASKI'S DAY. Passed without amendment H. J. Res. 304, to authorize the President to proclaim Oct. 11, 1946, Pulaski's Memorial Day (p. 7019). This measure will now be sent to the President.
6. EMPLOYEES' COMPENSATION ACT. Passed as reported S. 178, to include osteopaths and chiropractors under this Act (p. 7025).
7. TRADE-MARKS. Passed as reported, and appointed conferees on, H. R. 1654, to

provide for registration and protection of trade-marks (pp. 7026-7).

8. FCA NOMINATION. Confirmed the nomination of Ivy W. Duggan to be FCA Governor (p. 7075).
9. CORPORATIONS. Passed with amendments S. 2223, to establish and effectuate a policy regarding creation of chartering nonprofit corporations by Congress (pp. 7044-7).
10. STATUTE OF LIMITATIONS. Discussed and passed over H. R. 2788, to limit the time during which actions against the U. S. may be brought (p. 7035).
11. ECONOMIC CONCENTRATION. Chairman Murray submitted and discussed a Small Business Committee report on economic concentration and World War II (pp. 7010-12).
12. PRICE CONTROL. Sen. Capper, Kans., inserted statements by the Farm Bureau asking modifications of the Price Control Act (pp. 7010-11).
13. LEGISLATIVE APPROPRIATION BILL. Passed with amendments this bill, H. R. 6429 (pp. 7061-5). Conferees were appointed (p. 7065).
14. 3RD DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 6601 (pp. 7065-73). Conferees were appointed (pp. 7072-3). Sen. Tydings, Md., submitted an amendment to increase the salary of the Comptroller General to \$15,000, but after discussion a point of order by Sen. Taft, was sustained against the amendment (p. 7072).

15.

SENATE - June 15

15. D. C. APPROPRIATION BILL. Passed with amendments this bill, H. R. 5990 (pp. 7122-5). Conferees were appointed (p. 7124).
16. BANKRUPTCY. Passed as reported H. R. 4160, to set up a system of full-time, salaried referees under the Bankruptcy Act (p. 7125).
17. INTERIOR APPROPRIATION BILL, H. R. 6335, was made the unfinished business (p. 7125).
18. RECESSED until Tues., June 18 (p. 7126).

HOUSE - June 14

19. PRICE CONTROL. Reps. Spence, Brown, (Ga.) Patman, Barry, Wolcott, Crawford, and Gamble were appointed conferees on H. R. 6042, to amend and extend the Price Control and Stabilization Acts (p. 7077). Sens. Wagner, Barkley, Radcliffe, Downey, Tobey, Taft, and Millikin were appointed conferees on this bill June 13 (p. 6964). Rep. Price, Ill., spoke in opposition to the amendments to the bill (pp. 7100-2).
20. FOREIGN LOANS. The Banking and Currency Committee reported without amendment S. J. Res. 138, to authorize the loan to Great Britain (H. Rept. 2289) (p. 7103).
21. BUILDINGS AND GROUNDS. Passed as reported H. R. 6627, for acquisition of buildings and grounds in foreign countries for the use of the U. S. Government (pp. 7094-5).
22. GRAIN SHORTAGE. Rep. Voorhis, Calif., spoke in favor of his measure, H. J. Res. 325, to prevent the use of grain for the manufacture of alcoholic beverages

could be handled properly only in that way.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. If I correctly understand what the Senator from Oregon has said and if I understand the proposed rule, it seems to me there is nothing in the proposed rule which would militate against his use of telegrams. The limitation, as I understand it, is to be placed upon what are known as book telegrams.

Mr. LUCAS. That is correct.

Mr. McCARRAN. If that be the case, I have no objection.

Mr. LUCAS. The Senator is correct.

The great number of violations occurred in connection with what are called "book telegrams," and the situation had developed to such an extent that something had to be done.

Mr. McCARRAN. I have understood for years that there is a distinct rule against such a practice, and I have refrained from using the book-telegram method.

Mr. LUCAS. It has been the rule, but some Senators have been violating it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAGNUSON. I agree with the Senator from Oregon that he and I and other Senators from the far West have a telegraphic problem, but I also wish to point out that we also have a problem in connection with the use of air mail. It seems to me that in the case of Senators who come from great distances—Senators such as the Senator from Oregon and I—it would be very helpful if the Senate would permit the Congressional frank to be extended to air mail. I think such an extension is a reasonable one, inasmuch as the air mail rate has been reduced to 5 cents. Such an extension would be very helpful to us, for regular mail takes 4 days to reach my State, and sometimes 2 weeks pass before an answer can be received. So I hope the Senate will consider that phase of the problem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois to the committee amendment on page 18, after line 6.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

The bill (H. R. 6429) was passed.

Mr. TYDINGS. Mr. President, I move that the Senate insist upon its amend-

ments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. OVERTON, Mr. GREEN, Mr. CHAVEZ, Mr. MAYBANK, Mr. BRIDGES, Mr. REED, and Mr. FERGUSON conferees on the part of the Senate.

THIRD URGENT DEFICIENCY APPROPRIATIONS FOR 1946

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House bill 6601, making appropriations to supply certain deficiencies.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. HAYDEN. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will proceed to state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—Legislative—Senate," on page 2, after line 3, to insert the following:

For payment to Mary Scott Glass, widow of Carter Glass, late a Senator from the State of Virginia, \$10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to insert:

Office of Sergeant at Arms and Doorkeeper. For the payment of 21 pages for the Senate Chamber, at \$5 per day each, for the period commencing July 1, 1946, and ending with the last day of the month in which the Seventy-ninth Congress adjourns sine die at the second session thereof, so much as may be necessary.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert:

For the employment of an additional assistant chief telephone operator at \$2,400 per annum, and seven additional telephone operators at \$1,800 per annum each, fiscal year 1947, \$15,000.

The amendment was agreed to.

The next amendment was, under the heading "Independent offices—Federal Works Agency—Bureau of Community Facilities," on page 4, line 4, after the word "planning", to strike out "\$35,000,000" and insert "\$10,000,000."

Mr. GEORGE. Mr. President, I am asking the Senate to disagree to that amendment. The item for an appropriation of \$35,000,000 for public works advance planning was carried in the bill as passed by the House. The Senate Committee has reduced the amount to \$10,000,000. This appropriation is made

under a provision of the War Mobilization and Reconversion Act, and there has heretofore been appropriated for this work \$30,000,000, all of which or practically all of which has been advanced to States, counties, and municipalities. This is not a gift. It is to be repaid by every municipality or State or county using any of the fund, when and if the project or work planned is actually constructed or carried out.

The purpose of the committee in inserting this provision in the War Mobilization and Reconversion Act was to enable counties, municipalities, and States to do advance planning, to have their plans and specifications ready against the time when they could actually begin construction work. We were trying to hedge against unemployment, but we were also trying to aid and assist municipalities and counties and States to get their plans ready.

It is well known, I think—it should be well known, and I am sure it is known to every Member of the Senate—that until a municipality sells its bonds, it has no money with which to pay for such plans, even though a bond issue may have been authorized. Until the bonds are actually sold and until the cash is realized on them, the municipality has no money with which to pay for plans or specifications, which often must be submitted to the voters of the municipality or county or local political subdivision, as the case may be, before it is possible to bring the issue to a vote—or, at least, to do so intelligently—before the voters of the county or political subdivision.

This item is not a gift. It is simply an advance, repayable when and if the project which is planned or is surveyed is actually completed or finished.

Mr. BALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BALL. I should like to explain to the Senator that the amount was reduced in the full committee for two reasons. First, in the independent offices bill an appropriation was provided for. Only a couple of months ago the bill was taken up and considered by the regular subcommittee. Later, a deficiency of \$35,000,000 was reported. The only testimony we had was in the form of a statement which is set forth in the House report that the Federal Works Agency has approximately \$37,000,000 worth of processed applications for which no funds are on hand. On that basis, we recommended an appropriation of a certain amount. Another deficiency bill will be coming before the Senate, and the committee decided that it should talk with representatives of this Agency and look into the matter before they recommended an appropriation of the amount requested.

Mr. GEORGE. Mr. President, allow me to read to the Senate a very brief memorandum from the Office of the Administrator.

There has already been made two appropriations for this purpose—one in the amount of \$17,500,000, and the other in the amount of \$12,500,000, or a total of \$30,000,000.

The committee recently provided for much larger appropriations. The committee has been shortsighted in dealing with this particular appropriation. The appropriation would not result in a wastage of money. It would be used to enable the municipalities to get ready for a public-works program which most of them desire to inaugurate as soon as they can obtain the necessary materials and labor.

I continue reading from the memorandum:

Practically all of this has been advanced and, as a result, local projects financed entirely out of local funds have been planned or as in process, to the amount of \$1,200,000,000. The States and localities have with their own funds planned an additional \$900,000,000. One-half of the latter total is in New York State alone. The projects that have been planned with the funds appropriated under this act are located in all of the 48 States of the Union, without exception.

The \$35,000,000 now requested will be sufficient to complete the plans on an additional \$1,100,000,000.

This item was not included in the independent offices bill because at the time that bill was under consideration by the House, namely in December last, the program was new. It was impossible to estimate with any degree of certainty how much money would be required. The Federal Works Agency, too, was at that time engaged in an investigation of the whole subject for the Committee on Post War Planning of the House of Representatives. That investigation was completed in February of this year and the estimate upon which the House acted was forwarded to the Congress on the 14th of May by the President. Though not strictly a deficiency appropriation, the item was presented for inclusion in the pending bill with the full approval of the Committee on Appropriations of the House. It is confidently expected that the money here under consideration will be returned to the Federal Treasury. The States and localities must agree to return it and those agreements are as good as the faith and credit of the States and local governments.

The memorandum then continues to explain the threefold purpose of the program.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. Are the requested funds a part of the \$75,000,000 which we authorize to be advanced to the municipalities and subdivisions thereof for planning purposes?

Mr. GEORGE. Yes.

Mr. BARKLEY. I recall that the other House allowed only \$5,000,000, that we increased it to \$35,000,000, and the committee of conference reduced it to \$17,500,000.

Mr. GEORGE. Yes.

Mr. BARKLEY. So this appropriation would be only a portion of the \$75,000,000 which we authorized for this purpose when we passed the original act?

Mr. GEORGE. The Senator from Kentucky is correct. If the appropriation is made in the amount which was approved by the House, it will result in a total appropriation of only \$65,000,000.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. HAYDEN. When the matter was under consideration in the full committee the question was properly asked by

the Senator from Minnesota, Why was no provision made for the appropriation in the regular appropriation bill? At that time I did not know the answer, but the explanation made in the memorandum from which the Senator from Georgia has read is to the effect that no estimate was furnished for use in connection with the regular bill. The matter was under consideration by the House committee last December. The agency was not at that time in a position to state how much was needed. The fact is that we are asked to appropriate for the fiscal year and not for a deficiency.

Mr. GEORGE. The Senator is correct.

Mr. President, I ask unanimous consent that the entire memorandum from which I have read be printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON H. R. 6001 (THIRD URGENT DEFICIENCY APPROPRIATION BILL, 1946) WITH RESPECT TO THE ADVANCE PLANNING OF LOCAL PUBLIC WORKS

The House bill contains an item of \$35,000,000 for this purpose. The item has been reduced by the Senate Appropriations Committee to \$10,000,000. It is desired to have the amount restored to \$35,000,000.

The appropriation is made under the authority of title 5 of the War Mobilization and Reconversion Act. That title provides that advances may be made to State and local governments for the planning of their public works on condition that the advances shall be repaid when, as, and if the works are constructed. These advances serve to stimulate the preplanning of projects. Planning of such projects is usually financed out of the proceeds of bond issues voted for construction. Obviously bond money cannot be used for planning until the bonds are approved.

There has already been made two appropriations for this purpose—one in the amount of \$17,500,000, and the other in the amount of \$12,500,000, or a total of \$30,000,000. Practically all of this has been advanced and, as a result, local projects financed entirely out of local funds have been planned or are in process, to the amount of \$1,200,000,000. The States and localities have with their own funds planned an additional \$900,000,000. One-half of the latter total is in New York State alone. The projects that have been planned with the funds appropriated under this act are located in all of the 48 States of the Union, without exception.

The \$35,000,000 now requested will be sufficient to complete the plans on an additional \$1,100,000,000.

This item was not included in the Independent Offices bill because at the time that bill was under consideration by the House, namely in December last, the program was new. It was impossible to estimate with any degree of certainty how much money would be required. The Federal Works Agency, too, was at that time engaged in an investigation of the whole subject for the Committee on Postwar Planning of the House of Representatives.

That investigation was completed in February of this year and the estimate upon which the House acted was forwarded to the Congress on the 14th of May by the President. Though not strictly a deficiency appropriation, the item was presented for inclusion in the pending bill with the full approval of the Committee on Appropriations of the House. It is confidently expected that the money here under consideration will be returned to the Federal Treasury. The States

and localities must agree to return it and those agreements are as good as the faith and credit of the States and local governments.

This program has a 3-fold purpose. First, to utilize the time when construction cannot conveniently go forward on account of housing to plan the necessary public works which are needed in the States; second, to stimulate the States and local governments to use their own credit and own funds for the constructions of these works; and third, to prepare a group of projects on a Nation-wide basis that may be quickly undertaken if and when unemployment should develop.

Mr. GEORGE. Mr. President, I hope that the Senate will not agree to the amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with the Senator from Georgia. We should approve the \$35,000,000 appropriation which has been requested so that a building program can be carried forward throughout the United States. I know that in my own State we need more than will be our pro rata share of the appropriation. The Senate has already voted for full employment, but when a proposal such as the one now pending, which will make possible plans for full employment, is made, objection is heard. I think that the requested appropriation should be provided so that the States and their subdivisions may make preparation for the public-works program which will soon go forward. If plans are not made, the work will not be done.

Mr. BARKLEY. Mr. President, I hope that this amendment will not be agreed to. As a member of the Special Committee on Postwar Activities, presided over by the Senator from Georgia, I recall that we went pretty thoroughly into the need for the amount which had been authorized in the bill, namely, \$75,000,000; which was to be advanced to the States, counties, cities, and other subdivisions, and used for the purpose of planning public works and enabling communities to receive Government funds.

When the first appropriation was recommended it was reported to the Senate in the amount of only \$5,000,000. We increased it to \$35,000,000, and it was later reduced to \$17,500,000. Time has now run, and the program is no longer a new one. It seems to me that the appropriation in the House bill should be approved. The need for the entire \$75,000,000 was pretty thoroughly gone into. In the first place, the committee considered an amount of \$150,000,000, but it was finally reduced to \$75,000,000.

Mr. BRIDGES. Mr. President, I was present in the committee when this amendment was considered and agreed to. The situation was such as has been outlined by the distinguished Senator from Minnesota [Mr. BALL]. The Federal Works Agency was provided for in another bill. It seemed to us that the additional amount which had been requested should be considered further.

Mr. President, the most vicious practice in connection with making appropriations by the Congress is in authorizing funds to be appropriated. It is easy to authorize. Time after time I have seen authorizations made, and each time an authorization bill was before the Senate it would be asserted that the

amount proposed was not really an appropriation, but, however, eventually it became such.

We all know that there is no great amount of unemployment today. We all know, also, that there is a great shortage of building materials for construction purposes. We all know that certain materials which we now have should be used in constructing veterans' houses.

Mr. BALL. Mr. President, I ask the Senator from New Hampshire and the Senator from Arizona if it is not true we have another deficiency bill under way?

Mr. HAYDEN. There is supposed to be a catch-all bill.

Mr. BALL. So that we will have another chance. The committee took its action, not on the merits of this matter, but because the committee had no evidence whatever as to the item. We knew it had been left out of the regular bill, and we wanted to have a look at it, and have General Fleming give us some evidence as to what kind of projects they are planning. It is true that, while the Federal Government will be paid, it is only if the community or municipality goes ahead with a project planned. If we advance \$50,000 to make plans for a project, and the local community later decides it is impracticable, or changes it, and never goes ahead with it, the Federal Government never will get its money back.

Mr. BARKLEY. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. BARKLEY. Inasmuch as this item was in the bill as it passed the House and came to the Senate, and was submitted to the Committee on Appropriations, how does it happen that General Fleming was not called and asked to come before the committee and testify about it?

Mr. HAYDEN. General Fleming did appear before the committee, but it happened that the attendance was very slight, and he was given a cursory examination; and there had been a very complete hearing in the House.

Mr. BALL. It came at a time when we had three subcommittees of the Committee on Appropriations meeting at the same time, and every member of the committee had other committee meetings, and the Senate was meeting at 11 o'clock in the morning.

Mr. BARKLEY. Still, I suppose General Fleming testified, and his testimony was taken down.

Mr. BALL. It did not cover this item.

Mr. HAYDEN. Oh, yes, it is in the record. He was questioned by the Senator from Tennessee [Mr. McKellar], as appears on page 18 of the hearings. He stated that the budget estimate for this item was \$50,000,000. The House had allowed \$35,000,000, and he was not asking for an increase above the House amendment at that time.

Mr. BALL. As I recall, he also stated that the total amount for projects that had been processed and screened and were ready to go, for which he has not funds at this time, is only \$7,000,000. So that this amount, \$10,000,000, will more than cover the pending applications, and the adoption of the amendment will give

the Committee on Appropriations of the Senate a chance to question General Fleming a little more thoroughly as to this particular amount.

I might say, while I am on this matter, Mr. President, that I do not particularly like the fact that since the Committee on Appropriations acted, and clearly with the idea that they merely wanted another look at the item, every Senator has been flooded with telegrams from local communities or local institutions protesting against this cut. How did they find out about it? They did not read it in the newspapers. The Public Works Agency has been lobbying the Senate against its own Committee on Appropriations, and I think it is about time that sort of activity by Federal agencies was slapped down a little. We have altogether too much of it.

Mr. GEORGE. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. GEORGE. The Senator from Minnesota has a wholly incorrect apprehension of the facts in this case. I do not know anything about any telegrams; I may have received such telegrams in my office, but I have not seen them. But this money is to be repaid by the municipalities and political subdivisions to which it is advanced, not out of any grants—

Mr. BALL. I know that.

Mr. GEORGE. There is no grant involved. The purpose of the committee in formulating the legislation was to get away from grants, and encourage the cities and counties and municipalities to do their own work, to assume the burden, and meet the Federal Government more than halfway, so that we would not have all the burden thrown on us in the event of a recession in employment.

Mr. BALL. The Senator from Minnesota understands that.

Mr. GEORGE. Please let me finish. So that in order to encourage the subdivisions to assume the burden without any promise of grant, in order to encourage them to go ahead with their work, we simply set up a fund which could be made available for a specific purpose, to wit, to make surveys, to secure estimates, and to draw the blueprints for their plans.

There can be no doubt, I think, that in nearly every instance the money will all be repaid to the Federal Government. I think it goes right back into the Treasury. What we need to do is to permit this advance planning by all the political subdivisions of the country which anticipate that they will be able to do some construction work at a later date, and to get that behind them and have it ready.

I made an earnest plea, when the appropriation was first cut down to a level where it could have done no good, to get it raised back to the \$75,000,000 which the committee itself has thought would be ample and sufficient. This appropriation, if made at \$35,000,000, as the House has recommended, will still be \$10,000,000 under what the committee originally thought was a fair and adequate sum to be used for this purpose.

Mr. BALL. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. BALL. I merely wish to say to the Senator from Georgia that he apparently misunderstood what I said. I understand perfectly that the money is to be repaid when and if the municipal project for which the planning money is advanced is undertaken, but in the present situation as to construction materials and labor, it may be 2 or 3 years before there is a sufficient supply of materials and labor so that many of these projects will be started. By that time the plans may be changed, they may be abandoned and other projects adopted, and if they are not undertaken, the Federal Government will not get the money back. That is all I said. Those are some of the things I should like to go into with General Fleming. I should like to know what kind of projects are being approved, whether there is any assurance that if construction is delayed 4 or 5 years there will still be reasonable assurance that in the great majority of cases they will still go ahead with it, or whether changing conditions might throw a project out, and the money be wasted. I do not think there is any tremendous rush, certainly for the next 2 years, at least. Filling up the housing deficit is going to be about all we can do.

Mr. GEORGE. The Senator is entirely mistaken. If he will go to the trouble of advising himself, I think he will find that municipalities and subdivisions throughout the country are now actually doing some construction work. They have been obliged to do it because during the war period it was impossible to do it. I know of two municipalities in my State which are today spending a total of approximately \$6,000,000 for the necessary extension of water and sewerage systems. It is precisely that sort of situation we were trying to encourage, and for which we were trying to provide. I do not see the basis for any objection to an appropriation of this kind.

Mr. BALL. All the Senator from Minnesota is saying is that the Senate Committee on Appropriations—and, after all, we have another deficiency appropriation bill coming along—should at least be granted an opportunity to go into this whole subject more thoroughly, and obtain more facts. We may wish to allow them the amount of the budget estimate, but the discussion here I think has disclosed that we do not have sufficient information to act on the matter at this time.

Mr. TAFT. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. TAFT. I do not understand why this appropriation, which clearly cannot be spent this year, is in a deficiency bill. It seems to me it should be in a supplemental bill, or a regular appropriation bill.

Mr. HAYDEN. The Senator has not been here all the time—

Mr. TAFT. I have heard the statements, and I understand that none of the money is to be used in this fiscal year. I think there is \$7,000,000 for a project pending, and the rest is for the next fiscal year. Why is it put in a deficiency bill to supply deficiencies for the fiscal year 1946, and provide supplemental appropriations for the year ending June 30,

1946? Why should we not take care of this year now, and then in some supplemental bill for next year, or in a regular appropriation bill, appropriate the money needed for next year?

Mr. HAYDEN. The difficulty is that the regular annual appropriation bill has already been passed. This is a deficiency bill.

Mr. TAFT. But this is a 1946 deficiency bill.

Mr. HAYDEN. It is clearly understood that this is to provide money for the next fiscal year. This is the statement before the committee:

We do not approve applications unless we know that there is some real basis of expectation that they will construct the public works. At the present time we have only \$7,000,000 of projects completely reviewed and ready to approve. Every day this amount is being increased so that the \$35,000,000 approved by the House will probably be absorbed within the next 8 or 9 months.

It is clearly intended that this money shall be used in the next fiscal year, and we have no other way of providing it except in a deficiency bill, because it was not included in the regular annual appropriation bill.

Mr. TAFT. The only thing that bothers me is that when we come to figure up next year's appropriations, we do not figure what is in this deficiency bill.

Mr. HAYDEN. Oh, yes. There is a statement as to the appropriations for any agency in the deficiency bill and the regular appropriation bill, so that we have full figures before us.

Mr. SMITH. Mr. President, does the Senator from New Hampshire yield.

Mr. BRIDGES. I yield.

Mr. SMITH. I am very much concerned with this subject, because I am entirely in sympathy with the Senator from Minnesota and the Senator from New Hampshire in what they are trying to do. But I have an urgent telegram in my hand from the president of Rutgers University. What is the situation of Rutgers University? It is a State-supported institution. It is one of the public works in our State that needs assistance now. Why? Because it is trying to take care of the GI boys who have come in great numbers to Rutgers. Rutgers has a program worked out for buildings, temporary buildings it is true, to take care of these boys. If these appropriations are cut down Rutgers cannot look to the Federal Works Administrator to help out. I took the matter up with the Federal Works Administrator who was here yesterday, and he asked me to support the Senator from Georgia in the request that this figure be restored, because such emergency construction as I have mentioned, for taking care of GI's in our colleges, is the type of thing being done. It is being done in my State through the State organization because it is a State-supported college.

Mr. President, I am entirely in sympathy with the desire of Senator from Minnesota to have these matters scrutinized, but we now have some emergency cases which must be taken care of.

Mr. BRIDGES. Mr. President, we have reduced this item from \$35,000,000 to \$10,000,000, but I want to say to the

Senator from New Jersey that there will still be enough to take care of emergency cases. When I took up this matter I observed no disposition on the part of members of the Appropriations Committee to kill this item. There is merely what the Senator from Minnesota has advocated, namely, a desire to look into the details and to determine more accurately the desirability or nondesirability of projects. We are going to have another deficiency bill here in 2 or 3 weeks. Two or 3 weeks is not going to make a great deal of difference.

Mr. AIKEN. Mr. President, I simply wish to say that I hope the amendment will be defeated, because I am getting word from towns that have on their agendas construction work that must be done in the very near future. In two or three instances school buildings have burned down. They have to plan new ones. In many instances the populations of towns and cities have so changed during the war that they have outgrown present school buildings and must plan to construct new ones at the first possible moment, that is, when material is available. Moreover, some towns have grown so that they are having to plan for new water works and new sewer systems. It appears to me that now of all times is when an adequate amount for this planning should be made available.

I heard the Senator from Minnesota [Mr. BALL] say that Senators were receiving telegrams from many persons who oppose the amendment, and the inference was that the Public Works Administration was asking people to telegraph to Senators to restore this cut. As a matter of fact, with the pending applications which the Federal Works Administration has, and the new ones which are coming in every day, the only decent thing for the Federal Works Administrator to do is to tell the applicants from the various towns and cities that the allocation to them is dependent upon an adequate appropriation by the Congress. I think a good many departments of Government have to tell applicants for funds that the allocation of such funds and the availability of such funds is dependent upon adequate appropriations. It seems to me that now of all times an adequate fund for this purpose should be available. So I join with my colleague, the Senator from New Jersey in expressing the hope that the committee amendment will be rejected.

Mr. BALL. Mr. President, it seems to me that the Senate Appropriations Committee has made a perfectly reasonable request that this whole item go over until another deficiency bill comes before us, so that we may have a hearing and obtain more facts than we had when this item was before us. If the Senate is going to refuse to permit its Appropriations Committee even that much discretion because of a little pressure, which I still contend was deliberately stirred up by the Federal Works Agency, then I want to know it on a record vote. So I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken
Andrews
Ball
Barkley
Bridges
Brooks
Burch
Bushfield
Capper
Chavez
George

Gurney
Hayden
Hoey
Huffman
Johnson, Colo.
Johnston, S. C.
Knowland
Lucas
Murdock
Murray
O'Mahoney

Reed
Shipstead
Smith
Taft
Taylor
Thomas, Utah
Tunnell
Wagner
Walsh
White

The ACTING PRESIDENT pro tempore. Thirty-two Senators have answered to their names; not a quorum. The clerk will call the names of absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BRIGGS, Mr. CARVILLE, Mr. GERRY, Mr. KILGORE, Mr. MAGNUSON, Mr. MCCARRAN, Mr. MILLIKIN, Mr. MORSE, and Mr. WHEELER answered when their names were called.

The ACTING PRESIDENT pro tempore. Forty-one Senators have answered to their names. A quorum is not present.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. CORDON, Mr. McCLELLAN, Mr. McFARLAND, Mr. MEAD, Mr. OVERTON, Mr. STEWART, and Mr. TYDINGS entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. Forty-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 4, in line 4.

Mr. BALL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. REED. I understand that we are now about to vote on the committee amendment on page 4, in line 4.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. REED. I further understand that a "yea" vote will be to sustain the position of the committee in regard to the amendment.

The ACTING PRESIDENT pro tempore. That is correct. A "nay" vote will be to leave that part of the bill in the way it was passed by the House of Representatives.

On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Virginia [Mr. BYRD], the Senator from California [Mr. DOWNEY], the Senator from South Carolina [Mr. MAYBANK], the Senator from

Nevada [Mr. McCARRAN], the Senator from Connecticut [Mr. McMAHON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Texas [Mr. O'DANIEL], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. McKELLAR], the Senator from Florida [Mr. PEPPER], and the Senator from Georgia [Mr. RUSSELL] are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead, of Alabama.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I also announce the following general pairs: The Senator from Texas [Mr. CONNALLY] with the Senator from Michigan [Mr. VANDENBERG]; the Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; and the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON].

I also announce that if present and voting, the Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. RADCLIFFE] would vote "nay."

Mr. WHITE. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON], who would vote "yea" if present, has a general pair with the Senator from Rhode Island [Mr. GREEN]; and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Connecticut [Mr. HART], the Senator from New Jersey [Mr. HAWKES], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The Senator from Nebraska [Mr. BUTLER], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from North Dakota [Mr. LANGER], and the

Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Nebraska [Mr. WHERRY] are absent on official business. If present, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Oklahoma [Mr. MOORE] and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The Senator from Vermont [Mr. AUSTIN] is detained at the State Department on official business.

The result was announced—yeas 15, nays 36, as follows:

YEAS—15

Ball
Bridges
Brooks
Bushfield
Capehart

Capper
Gerry
Gurney
Millikin
Reed

Robertson
Shipstead
Taft
White
Willis

NAYS—36

Aiken
Andrews
Barkley
Briggs
Burch
Carville
Chavez
Cordon
Eastland
George
Hayden
Hoey

Huffman
Johnson, Colo.
Johnston, S. C.
Kilgore
Knowland
Lucas
McClellan
McFarland
Magnuson
Mead
Morse
Murdock

Murray
O'Mahoney
Overton
Smith
Stewart
Taylor
Thomas, Okla.
Thomas, Utah
Tunnell
Tydings
Wagner
Walsh

NOT VOTING—44

Austin
Bailey
Bilbo
Brewster
Buck
Butler
Byrd
Connally
Donnell
Downey
Ellender
Ferguson
Fulbright
Gossett
Green

Guffey
Hart
Hatch
Hawkes
Hickenlooper
Hill
La Follette
Langer
McCarran
McKellar
McMahon
Maybank
Mitchell
Moore
Myers

O'Daniel
Pepper
Radcliffe
Revercomb
Russell
Saltonstall
Stanfill
Tobey
Vandenberg
Wheeler
Wherry
Wiley
Wilson
Young

So the amendment was rejected.

The ACTING PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 4, in line 9, after the word "exceed", to strike out "\$1,183,000" and insert "\$250,000."

Mr. HAYDEN. Mr. President, in view of the action the Senate has taken on the preceding amendment, we must disagree to this amendment, because the two are connected.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, under the subhead "Veterans' Administration", on page 7, line 4, before the word "unobligated", to insert "this contract authorization plus", and in line 17, after the word "such" where it occurs the first time, to strike out "project" and insert "projects." The amendment was agreed to.

Mr. HAYDEN. Mr. President, all of the committee amendments on pages 7, 8, and 9 are true deficiency amendments, for the District of Columbia, and they involve only small amounts. I ask unanimous consent that they may be considered and agreed to en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered and agreed to en bloc.

(The amendments agreed to en bloc are as follows:)

On page 7, after line 18, to insert:

"DISTRICT OF COLUMBIA

"FISCAL SERVICE

"Collector's office: For an additional amount, fiscal year 1946, for 'Collector's office,' including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$65,000."

At the top of page 8, to insert:

"REGULATORY AGENCIES

"Coroner's office: For an additional amount, fiscal year 1946, for 'Coroner's office,' including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$5,640."

On page 8, after line 5, to insert:

"PUBLIC LIBRARY

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses, public library,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$27,500."

On page 8, after line 10, to insert:

"FIRE DEPARTMENT

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses, Fire Department,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$47,500."

On page 8, after line 15, to insert:

"PUBLIC WELFARE

"MENTAL REHABILITATION SERVICE

"St. Elizabeths Hospital: For an additional amount, fiscal year 1946, for 'St. Elizabeths Hospital,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$62,100."

On page 8, after line 21, to insert:

"PUBLIC WORKS

"Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1946, for 'Operating expenses, Office of Superintendent of District Buildings,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$1,750."

On page 9, after line 3, to insert:

"WASHINGTON AQUEDUCT

"Operating expenses (payable from water fund): For an additional amount, fiscal year 1946, for 'Operating expenses (payable from water fund),' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$32,400."

On page 9, after line 9, to insert:

"NATIONAL GUARD

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses, National Guard,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$968."

And on page 9, after line 14, to insert:

"DIVISION OF EXPENSES

"The sums appropriated in this act for the District of Columbia, shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia Appropriation Act, 1946."

The ACTING PRESIDENT pro tempore. The next amendment will be stated.

The next amendment was, under the heading "Title II—General Provisions," on page 14, after line 22, to strike out:

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates the overthrow of the Govern-

ment of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provision of existing law.

And to insert in lieu thereof the following:

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. HAYDEN. Mr. President, that amendment is in the usual form, and I ask that it be agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, in section 202, page 16, line 25, after the word "in", to strike out "any regular annual appropriation act for the fiscal year 1947, not a law on July 1, 1946" and to insert "(1) any regular annual appropriation act for the fiscal year 1947, or (2) contained in other than a regular annual appropriation act for the fiscal year 1947, and being for such fiscal year, or (3) contained in other than a regular annual appropriation act for the fiscal year 1947, and being supplemental to an existing appropriation and for obligation after

June 30, 1946, such acts not being laws on July 1, 1946."

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. That completes the committee amendments as printed in the bill.

Mr. HAYDEN. Mr. President, by direction of the committee I offer an amendment which I send forward and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 5, it is proposed to insert the following:

For payment to Musa Harkins Bankhead, widow of John H. Bankhead, late a Senator from the State of Alabama, \$10,000.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, by direction of the committee I offer the amendment which I send forward and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, after line 17, it is proposed to insert the following:

COMMISSION TO REPRESENT THE UNITED STATES
AT THE PHILIPPINE INDEPENDENCE CEREMONIES

For travel and other expenses of the Commission created by House Joint Resolution 360, entitled "Joint resolution to provide for United States participation in the Philippine Independence ceremonies on July 4, 1946," to enable the Commission to make and carry out appropriate plans for United States participation in such ceremonies, in accordance with the provisions of said joint resolution, \$30,000, to remain available until July 31, 1946, and to be disbursed by the Secretary of the Senate on vouchers approved by the Chairman of the Commission.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer an amendment, which I send forward and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, after line 23, it is proposed to insert the following:

FEDERAL SECURITY AGENCY
SOCIAL SECURITY BOARD

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1947 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1947.

Mr. HAYDEN. Mr. President, this amendment is necessary in order that money may be advanced immediately to 18 States which cannot match on the 1st of July. We have followed the same procedure each year as an accommodation to the States.

Mr. BRIDGES. Mr. President, did the committee vote for this amendment? I understood the Senator from Arizona to

say that he offered it by direction of the committee.

Mr. HAYDEN. No, I did not say that.

Mr. President, in further explanation of the amendment, I ask to have printed in the RECORD at this point as a part of my remarks a statement which has been prepared on the subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL ESTIMATE FOR GRANTS-IN-AID,
FEDERAL SECURITY AGENCY, SOCIAL SECURITY
BOARD, FISCAL YEAR 1947

In each of the last 3 years the delayed enactment of the Labor-Federal Security Appropriation bill has made it necessary to submit to Congress a request for a joint resolution authorizing the expenditure for the first quarter's requirements of the next fiscal year for grants-in-aid to States in advance of the passage of the Appropriation Act.

The same circumstances exist at the present time with respect to requirements for the first quarter of the fiscal year 1947. Eighteen States cannot, under State laws, release funds for assistance to the aged, blind, and dependent children for the new fiscal year until Federal funds are actually available. A closely similar situation exists with respect to unemployment compensation; certain States have laws prohibiting the incurring of obligations for which no Federal funds are currently available. To avoid interference with normal processing it is highly desirable that funds be available by June 10.

In the public assistance grants program the balances remaining in the hands of the States on June 30 for use after that date, will aggregate approximately three to four million dollars. Some States will have relatively large balances; others will have nothing; still others will be owed money by the Federal Government. Both in total and in the several States the balances will be insufficient for the required allocations for the first quarter of the fiscal year.

In the unemployment compensation program only approximately \$700,000 will be available for use by the States on July 1. This amount, scattered in 51 jurisdictions, will not be sufficient to tide them over until the 1947 money is available.

For these reasons it is requested that provision be made in the Third Urgent Deficiency Appropriation Act making 1947 funds immediately available for public assistance grants and unemployment compensation administration grants. The amounts involved are \$121,000,000 for public assistance and \$12,000,000 for unemployment compensation. These amounts are one-fourth of the amounts carried in the appropriation bill for 1947 as recommended by the Bureau of the Budget and as passed by the House. All sums obligated or expended under this provision are to be charged against the 1947 appropriation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendment which I send forward and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 2, it is proposed to strike out lines 6 to 11, inclusive, and insert in lieu thereof the following:

For the payment of 21 pages for the Senate Chamber, at \$5 per day each, for the period

July 1, 1946, to December 31, 1946, both dates inclusive, fiscal year 1947, \$19,320.

Mr. JOHNSTON of South Carolina. Mr. President, this amendment would make it possible to pay to the pages of the Senate the same rate of compensation that is paid to the pages of the House. I cannot see why the pages of the Senate should not be paid the same compensation which is paid to the pages of the other House. I wish to go on record in favor of either reducing the compensation of the pages to half what it now is or increasing the compensation to the same level that is followed in compensating the pages of the other House.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HAYDEN. Each House, of course, is the judge of its own procedure. This matter was taken up in committee. Never before were the pages paid more than a month's salary during vacation. The Congress has been practically in continuous session for the past several years, and therefore the pages have been paid practically for the entire year. It is contemplated that the Congress will adjourn approximately the middle of July, and under those circumstances the committee members were of the opinion that the pages should not be paid for work not performed by them, regardless of what may be the practice in the other House.

Mr. JOHNSTON of South Carolina. What the Senator from Arizona has said may be true, but I believe that it would be right and proper for the Senate to pay its pages at the same rate of compensation as that which is received by the pages of the other House. I believe the same principle applies to the Members of the Senate. The Members of the House of Representatives received \$2,500 a year more than do Senators.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BRIDGES. This matter was taken up once before, and it is in conference at the present time. Inasmuch as we have already passed the appropriation bill, I believe that the amendment of the Senator, in connection with a deficiency bill, is entirely out of order.

The ACTING PRESIDENT pro tempore. The Chair will suggest to the Senator from New Hampshire that the amendment which has been offered by the Senator from South Carolina could not be considered by the Senate unless a motion were made and agreed to to reconsider the vote by which the committee amendment on page 2, line 6, was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate reconsider the vote by which the committee amendment was agreed to.

Mr. BARKLEY. Mr. President, I inquire whether, in the legislative bill which the Senate has only recently passed, we did what the Senator from South Carolina is now seeking to do?

Mr. JOHNSTON of South Carolina. No.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina to reconsider the vote by which the committee amendment was agreed to. [Putting the question.]

Mr. STEWART. Mr. President, I ask for a division.

On a division, the motion to reconsider was agreed to.

The ACTING PRESIDENT pro tempore. The committee amendment is before the Senate and open to amendment.

Mr. BRIDGES. Mr. President, I wish to point out that the legislative bill has been passed and we are now on a different bill. I make the point of order that we may not reconsider an item in a bill which has been passed by the Senate while we are considering another bill.

Mr. BARKLEY. Mr. President, the motion to reconsider the vote by which the committee amendment was agreed to had no relationship to the legislative bill which has already been passed. The motion had relationship only to a committee amendment to the pending bill which had already been agreed to.

Mr. BRIDGES. No; Mr. President, the Senator is not correct.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. TYDINGS. Mr. President, what we are now considering has to do with a deficiency bill. So far as I know, the amendment of the Senator from South Carolina was never offered by any Senator when the legislative bill was being considered. If it had been brought before us then, probably we would have been influenced greatly by the action which the other House had taken. But the matter did not come before the subcommittee of the Senate Appropriations Subcommittee nor before the full committee when the legislative bill was being considered. So the Senator from South Carolina is within his right in offering the amendment to the pending bill. My reason for opposing it is that I do not believe it is wise policy, after we have passed the legislative bill, to incorporate in a deficiency bill, which the Senate is considering a half an hour later, an amendment which should have been considered when the legislative bill was before the Senate and which should also have been submitted to the committee. I believe that I am in honor bound to stand by the Appropriations Committee, because no consideration was given to this matter at all when the bill was before that committee.

Mr. O'MAHONEY. Mr. President, does the Senator take the position that because the Committee on Appropriations never gave any consideration to this matter, the Senate may not now give consideration to it?

Mr. TYDINGS. Oh, no.

Mr. O'MAHONEY. That is the position in which we find ourselves. The fact of the matter is that the Senate would be perfectly within its rights in considering this amendment.

Mr. TYDINGS. As a member of the Appropriations Committee, I do not feel that the Senator from Maryland is under

any obligation to defend the Senate Appropriations Committee as though it had taken action when, in reality, it has taken no action. So the amendment of the Senator from South Carolina is to be considered in no way as any reflection on the Appropriations Committee. I think the Senator did not understand me. The point I made was that within 2 hours we had before us the bill upon which this amendment should logically have been considered. It was the legislative appropriation bill. I do not believe it is wise policy when we are considering a deficiency bill, to amend the deficiency bill on the floor of the Senate when there was opportunity during the day to offer the amendment to the appropriate bill.

I am not criticizing others who do not see it as I do, but certainly as chairman of the legislative appropriation subcommittee, which has just had the legislative appropriation bill passed this afternoon, I do not feel I can go along with the amendment without going back on my colleagues who helped me to put together that bill, which was passed a little earlier today.

Mr. O'MAHONEY. Mr. President, I cannot see how the Senator from Maryland will be going back upon his colleagues by voting for an amendment which they never considered. Since they have taken no position upon it, he is not going back on them if he supports the amendments.

The fact of the matter is, it seems to me, that if the amendment had been offered to the legislative bill, those of us who are supporting it now would have supported it then. The mere fact that the legislative bill has been passed is no bar in parliamentary law or in logic to the consideration of the amendment now, and I for one hope the Senator from South Carolina will pursue his amendment. I shall certainly support it.

Mr. BARKLEY. Did the legislative appropriation bill, which we have just passed, increase the pay of the pages of the House?

Mr. O'MAHONEY. It is my understanding it did.

Mr. BARKLEY. Is it not true that the pages of the House have for some time received higher pay than the pages of the Senate?

Mr. TYDINGS. No. If I may clear the point up, the Senate does not provide money for pay of the pages when the Senate is not in session. My understanding is that the House made provision to pay the House pages even though the House were not in session. What we are about to do is to provide that the Senate pages shall be paid when the Senate is not in session. They are going to be paid, of course, when the Senate is in session.

Mr. BARKLEY. The difference is that the House has inserted a provision paying the pages during the recess, until the 31st of December, and our pages will not be paid?

Mr. TYDINGS. Yes.

Mr. BARKLEY. And this amendment provides for their being paid?

Mr. TYDINGS. Yes.

Mr. BARKLEY. Of course, the legislative bill having been passed, and the

matter not being in shape to be considered in conference, the item must be in this bill or some other bill.

Mr. TYDINGS. There is no law on the subject, but we have a definite understanding that the Senate will not interfere with any appropriation the House makes for its own body, and the House will not interfere with any appropriation the Senate makes for its own body.

It is often the case that one officer of the House is paid at one rate and a similar officer in the Senate at another. There is a tendency in time for both to seek the higher level, never the lower level. We have had a rule that neither the Senate nor the House will interfere with measures which have to do with either body only.

Mr. BARKLEY. I understand that.

Mr. TYDINGS. That is why the House has provided \$2,500 a year expense money for the Members of the House. The Senate never made that provision. We have the understanding I have stated. Always, whenever the Senate makes the pay for one of its officials a little higher than a similar official is paid in the House, a drive is made in the House to equalize, and when the situation is reversed, there is a drive put on in the Senate to equalize. But none of the drives ever go downward, all of them go upward.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. TYDINGS. Mr. President, I send to the desk an amendment which should have been put in a bill passed some days ago.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 5, after line 20, it is proposed to insert the following new paragraph:

General Accounting Office: The salary of the Comptroller General shall be at the rate of \$15,000 per annum so long as the office is held by the present occupant.

Mr. TYDINGS. Mr. President, briefly, the purpose of the amendment is that the Comptroller, Mr. Lindsay Warren, is primarily the representative of Congress to audit the expenditures of the Government. I am sure that most of us feel that Mr. Warren has by proper and conscientious auditing saved hundreds of millions of dollars to the people of this country.

I understand that Mr. Warren—not from him at all, but from some of his friends—has had many offers, many of them recently, to leave the Government service at several times his present salary. I think he is too experienced and too skilled a public servant for us to lose him.

The office of Comptroller General, which Mr. Warren occupies with such distinction and merit, should be higher paid if we are to hold in that important office as auditor for the Government of

the United States the kind of man we need to discharge the duties which we, as Congress, have imposed upon him as our representative in the executive branch of the Government.

Mr. BRIDGES. Mr. President, why would not the proper method be to offer this amendment to the next deficiency bill?

Mr. TYDINGS. It should have been put in the independent offices bill, and I understand there is a sentiment for this increase. In fact, the request to offer this amendment has come from Members of Congress and other officials in the Government, and, so far as I know, not from Mr. Warren himself. As the amendment was not put into the independent offices bill, where it should have been, the proper place to provide for it is in this deficiency bill.

Mr. BRIDGES. Why should it not be considered by the committee?

Mr. TYDINGS. Everybody knows the facts, and we have now finished everything except the urgent deficiency bill, which will be the last one. I have no objection to putting it off.

Mr. BALL. What is the salary now?

Mr. TYDINGS. Twelve thousand dollars.

Mr. BALL. This would raise it to \$15,000?

Mr. TYDINGS. That is correct. He is the Auditor General of our whole Government. He is really the representative of the Legislature, which has a check on the doings and the actions of the executive branch of the Government, and I think it is very small compensation for the work he is doing.

Mr. AIKEN. Would this put his salary on a par with that of Cabinet members?

Mr. TYDINGS. Yes; it would.

Mr. AIKEN. It appears to me that this one official of the Government, who is almost the sole representative of the legislative branch in such a position, should be put on a par with members of the Cabinet, who are really the arms of the executive branch. I hope the amendment offered by the Senator from Maryland will be agreed to.

Mr. TAFT. Mr. President, is the amendment in order?

The ACTING PRESIDENT pro tempore. The amendment is in order.

Mr. WHEELER. Mr. President, I have great respect for Mr. Warren, but I call attention to the fact that if we start in to give \$15,000 to one man who is an arm of the legislative branch of the Government, then we are going to have the Interstate Commerce Commission, the Federal Trade Commission, the SEC, and similar bodies which are arms of the legislative branch of the Government asking for salaries of \$15,000 for the members of those bodies. Many of those officers could leave the Government and get more money working for private industry than they are paid by the Government.

Mr. TAFT. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. I call attention to rule XVI, and make the point of order that the amendment is not in order because

the appropriation is not made to carry out a provision of some existing law.

The ACTING PRESIDENT pro tempore. It would be subject to the point of order.

Mr. TAFT. I make the point of order.

Mr. TYDINGS. I have no desire to push the amendment if the Senate feels it is not wise to take the action. I offer it primarily in conjunction with the Senator from Virginia [Mr. BYRD].

Mr. TAFT. I only make the point of order because, as I understand, we have recommended a general increase in the salaries of all Government employees, including Cabinet officers, and it seems to me it should all be done at once, and that one man should not be raised through an amendment to an appropriation bill.

Mr. TYDINGS. I appreciate the reasons the Senator from Ohio has in mind, and I shall not press the matter. I could ask that the rule be suspended, or appeal from the decision of the Chair, but I shall not do either. I want the Senator to know that the Senator from Virginia, who has devoted a great deal of time to the curtailment of Government expenditures, and particularly those which have in his opinion exceeded quite often the authority and restraints put on them by Congress, feels that if Mr. Warren should leave the Government service and it should become necessary to break in a new man, it would probably be rather expensive in these emergent times, when so much money is being expended.

Mr. AIKEN. Mr. President, I might also add that if the Congress would give heed to the recommendations and the messages of the Comptroller General to the Congress, it could save the entire amount of the \$15,000 salary every 15 minutes. That is only an estimate, of course. I do not think we recognize the importance of the work of the Comptroller General. It is important to the Congress, and a very large amount could be saved to the taxpayers if we heeded Mr. Warren's recommendations.

Mr. TYDINGS. I may say to the Senator from Vermont that I concede that the position of the Senator from Ohio is well taken, and if he makes a point of order there is no use in our discussing it, because we cannot change the situation.

Mr. AIKEN. I express the hope that at the first feasible opportunity this increase in salary to the Comptroller General be made.

The PRESIDING OFFICER. The question is on the engrossing of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6601) was read the third time and passed.

Mr. HAYDEN. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKellar, Mr. Hayden, Mr. Tydings, Mr. Russell, Mr. Overton, Mr. Brooks, Mr. Bridges,

and Mr. GURNEY conferees on the part of the Senate.

AMENDMENT OF THE INTERSTATE
COMMERCE ACT

Mr. WHEELER. I move that the Senate proceed to the consideration of Calendar 1190, Senate bill 1253.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1253) to amend the Interstate Commerce Act, as amended, and for other purposes.

Mr. BROOKS. Mr. President, I want to speak to the motion, if I may.

Mr. BUSHFIELD. Mr. President, will the Senator yield to me for the purpose of making a motion?

Mr. WHEELER. I have already made a motion to take up Calendar 1190, Senate bill 1253.

Mr. BROOKS. Mr. President, I ask for the floor to speak against the Senator's motion.

Mr. WHEELER. I yield.

Mr. BROOKS. Mr. President, I find myself always embarrassed when I am in opposition to the Senator from Montana. But he has proposed now, at 6:15 o'clock on Friday night, at the conclusion of a very busy week, to take up a subject which is a very important and in my judgment a very complicated one. The report of the committee alone comprises 172 pages. The bill involves not only the interests of working men on various railroads, but it involves securities amounting to approximately \$2,500,000,000. It changes fundamental law respecting reorganized railroad properties. It will probably affect the trust and insurance funds of many people who relied upon the law not being changed. I think this is a bad time and a late hour to take up such an important bill, and I hope the Senate will not consent to it. I hope we will take it up when we have more Members present. It was difficult to secure a quorum a few minutes ago, and I hope the Senate will not take up the bill at this time.

Mr. WHEELER. Mr. President, the bill was reported by the Committee on Interstate Commerce about 2 months ago. It has been under study by the Interstate Commerce Committee for approximately a year. I know of no bill ever presented to the Interstate Commerce Committee or to any other committee that to my knowledge has had the thorough study this particular bill has had. It does not change the fundamental law in many respects, because some years ago we passed the law known as the McLaughlin Act, and after that we passed the Chandler Act which provided identically the same procedure that is prescribed in this bill.

Congress adopted what was known as section 77 of the Bankruptcy Act. That was passed in the closing days of the Congress some years ago. That measure had never been considered by a committee. Everyone recognizes that section 77 has worked a great injustice to the stockholders of various railroad companies, and it has not worked out as it was intended it should work out by those who proposed the law at that time.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KNOWLAND. I should like to ask my distinguished colleague from Montana whether he has made the motion to take up the bill with the idea that it will be considered and acted upon today, or with the idea that it be made the unfinished business, for action later?

Mr. WHEELER. I will say that I have been trying to have this bill taken up for some weeks. I intend to leave Washington on Monday morning at 9 o'clock. For that reason I wanted to have it taken up and discussed now. The bill was studied by the Interstate Commerce Committee. The Senator from Kansas [Mr. REED] worked on it very diligently, as did other Senators on both sides of the aisle. It came out of the committee with only one vote against it. The Senator who voted against it proposed an amendment which I expect to accept, which affects certain railroads, and I am sure it affects the very road in which the Senator from Illinois is interested. The bill does not affect railroad labor at all except insofar as railroad labor is interested in railroad legislation generally. As a matter of fact, many of the railroad employees organizations have gone on record in favor of the proposed legislation. I first introduced the bill at the request of the Interstate Commerce Commission. Then hearings were held on it. Everyone who appeared, bondholders, railroad officials, and others, approved of the bill as it was originally introduced. Subsequently we amended the bill in committee. We added certain sections to it. After we amended the bill we set it down for further hearings, and again we had long hearings on it, and everyone who wanted to be heard from one end of the country to the other was heard. No bill has ever been presented to this committee or to any other committee to my knowledge on which there have been such long and thorough hearings, and everyone who wanted to be heard, from one end of the country to the other, was heard.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana for the present consideration of Senate bill 1253. [Putting the question.] The nays appear to have it.

Mr. WHEELER. I ask for a division.

On a division, the motion was agreed to; and the Senate proceeded to consider the bill (S. 1253) to amend the Interstate Commerce Act, as amended, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. TAFT. Mr. President, I voted in favor of taking up the bill, but it seems to me that the hour is so late that it is difficult to consider the bill, since suggestion of the absence of a quorum may fail to secure a quorum. It seems to me we either ought to meet tomorrow or take it up on Monday or later. I think we ought to take up the bill, but it seems to me that this is not an hour appropriate for taking up so important a bill.

Mr. BARKLEY. Mr. President, I had hoped that we might avoid a session tomorrow. For that reason we have been hanging on a little later than usual. But if it is necessary to meet tomorrow to accommodate the Senator from Montana, or the Senate itself, I am perfectly willing to move for a recess until tomorrow.

Mr. WHEELER. Mr. President, I am perfectly willing to meet tomorrow. I have no desire to proceed tonight if we may have a session tomorrow.

Mr. BARKLEY. We shall have to do that.

Mr. REED. Mr. President, I should like to take about 2 minutes to tell wherein time is of the essence in connection with this bill.

The valuation determined by the Interstate Commerce Commission under chapter 77 of the Bankruptcy Act for the reorganization of bankrupt railroads was based upon the hard-time earnings and was made very low. As a result, in many instances the junior stockholders and junior security holders were wiped out. The whole purpose of the bill is to require the Interstate Commerce Commission to consider these questions in the light of the enormous earnings during the war and their effect upon the cash assets in the future position of the bankrupt railroads.

The reorganization of the Chicago, Milwaukee & St. Paul and the wholesale wiping out of securities, was a national scandal. Senators from the States of Minnesota, South Dakota, Montana, and other States in the Northwest know that to be so. The same may be said of the Chicago & North Western.

The Rock Island reorganization is so severe that probably \$60,000,000 worth of securities will be wiped out entirely, as against what would happen if we could get that reorganization back to the Interstate Commerce Commission, where this bill would send it. Final approval of the Rock Island reorganization has been withheld by the courts in Chicago for several weeks, waiting to see what the Congress would do in connection with this bill. Let me say to Senators from Illinois and Iowa that we are taking about \$60,000,000 away from the Rock Island stockholders and junior security holders. That case is now set for final determination by the court on the 30 of June.

The Senator from Montana [Mr. WHEELER] and I have been trying for many weeks to obtain consideration of the bill. I agree that it is late, but I also fully realize the desperate need for immediate action. The House has twice passed a bill which the Senator from Montana and I think is unsound. Other bills have been considered. This is a Senate bill, which is approved by everyone. Even in its present form it is approved by the savings banks and insurance representatives. There has been no objection to it except here and there from a very small group of bondholders who do not want anyone to have a fair deal except themselves.

Mr. President, I am perfectly willing to have the bill go over until tomorrow.

Mr. BARKLEY. Mr. President, it is obvious that the bill will have to go over, and that we shall have to meet tomorrow. The motion to take the bill up has been agreed to, so that it is now the unfinished business.

NAVAL ASSISTANCE TO THE REPUBLIC OF CHINA

Mr. WALSH. Mr. President, when the calendar was called this afternoon, House bill 5356, to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, was passed over at the request of the Senator from Oregon [Mr. CORDON]. I have conferred with him and he has drafted an amendment which he says meets his objection.

I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 5356, Calendar No. 1192.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the bill (H. R. 5356) to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, which had been reported from the Committee on Naval Affairs with amendments.

The first amendment of the Committee on Naval Affairs was, in section 1, on page 1, line 5, after the word "advisable", to insert "or will assist in relieving United States forces of duty in China or putting the Government of the Republic of China in better position to protect or improve the safety of navigation in its waters."

The amendment was agreed to.

The next amendment was, on page 2, line 17, after the word "instance", to insert: "Provided further, That no information, plans, advice, material, documents, blueprints, or other papers, bearing a secret or top-secret classification shall be disposed of or transferred under authority of this act."

The amendment was agreed to.

The next amendment was, on page 3, after line 12, to strike out:

SEC. 3. The provisions of this act shall terminate 5 years after the date of its enactment.

And insert:

SEC. 3. (a) War-built vessels, as defined in the Merchant Ship Sales Act of 1946, of 2000 gross tons or more, shall not be subject to the provisions of this act, and war-built vessels, as defined in the Merchant Ship Sales Act of 1946, of less than 2000 gross tons, shall not be subject to disposal under this act until January 1, 1948, unless the United States Maritime Commission is consulted by the Secretary of the Navy as to the proposed disposal of any such vessel under this act and states that it has no objection to such disposal.

(b) The provisions of this act shall terminate 5 years after the date of its enactment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. That completes the committee amendments.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated. As I have said, I have conferred with the Senator from Oregon [Mr. CORDON]. He has drafted this

amendment, which he says meets his objection.

The ACTING PRESIDENT pro tempore. The amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 3, line 2, after the word "in", it is proposed to strike out "naval matters" and insert "training its personnel to operate the ships and equipment herein transferred."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

THE RAILROAD STRIKE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article by Drew Pearson which was published in the Washington Post of June 13, 1946, on the subject of the railroad strike.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON MERRY-GO-ROUND

(By Drew Pearson)

WASHINGTON, June 5.—It is now possible to give a play-by-play account of what happened inside the White House during the "lost week end."

This columnist has been around Washington a good many years, but the events preceding Harry Truman's labor message to Congress were the most bizarre ever witnessed. They prove that Harry Truman's worst enemy is his own loyalty to friends. Here is what happened:

On Friday morning, just after the rail strike started, Truman held a Cabinet meeting. He was hopping mad at A. F. Whitney and Alvanley Johnston. Secretary of Labor Schwollenbach was equally burned up, but not at the strikers. He was sore at likeable John Steelman, the White House labor expert, and John Snyder, the war reconverter, for messing up the negotiations.

At the Cabinet meeting, Postmaster General Hannegan wanted Truman to go on the air with an appeal to the public, but no crackdown on labor. Secretary of War Patterson wanted the President to take over the railroads at once, even produced a blueprint for the Army's strike-breaking operations. Secretary Byrnes said he thought a settlement could be reached but not by Steelman, in whom the unions had lost faith.

At the Cabinet meeting also Secretary of the Treasury Fred Vinson asked how much money separated the railroad workers and the operators—in other words, how much would it take to satisfy labor's unmet demands. Steelman, who had been conducting negotiations for more than a week, said he didn't know. So did Schwollenbach. So did Byrnes. But John Snyder volunteered that they were between three hundred and five hundred million dollars apart. This very large estimate led Vinson and Byrnes to the conclusion that there was no possibility of a negotiated settlement, and they then cast their weight with the Secretary of War in favor of letting the Army run the railroads.

After the Cabinet meeting, Truman lunched with Snyder and Steelman. They urged him to use force to break the strike; also, to go before Congress and ask for new legislation. After lunch, therefore, Truman called a special meeting of certain Cabinet members and advisers, including Secretary of

States Byrnes, Attorney General Clark, Secretary of the Treasury Vinson, John Steelman, John Snyder, Secretary of Labor Schwollenbach, and the President. Truman informed them he had decided (1) to go on the air that night and (2) address Congress the next day. He then outlined the general nature of what he wanted to say—some of it drastic.

At this point Secretary Vinson, realizing an important break with Roosevelt precedent was imminent, once again asked whether Snyder was sure of his figures regarding the distance between the railroad operators and the brotherhoods. Snyder then sheepishly admitted that only between twenty-five and thirty million dollars separated the two.

Steelman also confessed that the three important rules changes the union was really insisting on would only cost the railroads \$18,000,000.

At this, both Byrnes and Vinson hit the ceiling. They claimed it was fantastic to let the whole country be tied up when both sides were so close to agreement. A settlement, they insisted, was both possible and probable, and it was unwise, in the light of this information for the President to take the strong action he contemplated.

John Snyder, however, insisted that it was too late. Word had already gone out to the public that the President would address the Nation and talk to Congress. He could not turn back. Truman agreed with Snyder and asked those present to return at 7 o'clock with drafts of the speech he was to deliver at 10 p. m.—a pitifully short time for any Chief Executive to prepare such a momentous pronouncement.

Shortly after 7:30, the group reconvened at the White House. Secretary Byrnes stayed only a few minutes, left to meet with union leaders Whitney and Johnston.

Principal speech writer turned out to be slow-moving, good-natured, Presidential Secretary Bill Hassett, known as a fair editor but a terrible speech writer. He was only a second-string man on the Roosevelt team.

Snyder showed up for the meeting, feeling no pain. He interrupted the speech writing from time to time with inane cracks which served no useful purpose.

Several times Vinson and Schwollenbach tried to balance the speech by pointing out that the railroad operators had refused to make concessions. Each time Snyder and Steelman vetoed the proposal. Each time Truman sided with Snyder.

Schwollenbach and Vinson both opposed Truman's personal denunciation of Whitney and Johnston, but Snyder shouted wildly that the two union leaders were trying to destroy the Chief, and that they had to be named. Truman agreed.

Finally, the speech was completed only 20 minutes before the President went on the air. At the time he made it, Truman didn't even know what kind of legislation he was going to request of Congress the next day. It was in this confused, uncertain atmosphere that the President of the United States made the most important political decision of his career.

Under Secretary of Commerce Al Schindler—one of the Missouri boys by adoption—will resign soon. Schindler hopes to become Under Secretary of the Navy.

EMPLOYMENT OF RETIRED OFFICERS BY VETERANS' ADMINISTRATION

Mr. JOHNSON of Colorado. Mr. President, I understand that today a motion to reconsider the vote by which House bill 5626, Calendar No. 1442, was passed, was entered by the junior Senator from Minnesota [Mr. BALL]. That is an important piece of veterans' legislation. I wish to give notice that at a very early date I shall seek action on the motion to reconsider.

79TH CONGRESS
2^D SESSION

H. R. 6601

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1946

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, to
5 supply deficiencies in certain appropriations for the fiscal
6 year ending June 30, 1946, and for prior fiscal years, to
7 provide supplemental appropriations for the fiscal year
8 ending June 30, 1946, and for other purposes, namely:

TITLE I—GENERAL APPROPRIATIONS

LEGISLATIVE

(1) SENATE

(2) *For payment to Mary Scott Glass, widow of Carter Glass, late a Senator from the State of Virginia, \$10,000.*

(3) *For payment to Musa Harkins Bankhead, widow of John H. Bankhead, late a Senator from the State of Alabama, \$10,000.*

(4) *For the payment of twenty-one pages for the Senate Chamber, at \$5 per day each, for the period July 1, 1946, to December 31, 1946, both dates inclusive, fiscal year 1947, \$19,320.*

(5) *For the employment of an additional assistant chief telephone operator at \$2,400 per annum, and seven additional telephone operators at \$1,800 per annum each, fiscal year 1947, \$15,000.*

HOUSE OF REPRESENTATIVES

OFFICE OF THE CLERK

Salaries: *For the employment of eight additional telephone operators at the basic rate of \$1,800 per annum each (authorized by House Resolution Numbered 628, adopted May 21, 1946), fiscal year 1947, \$14,400.*

COMMITTEE EMPLOYEES

Stenographer, Committee on Expenditures in the Execu-

1 tive Departments, at the rate of \$2,400 per annum, fiscal
2 year 1947, \$2,400.

3 OFFICE OF DOORKEEPER

4 Salaries: For payment of fifty pages, including ten
5 pages for duty at the entrances to the Hall of the House,
6 from July 1 to December 31, 1946, both dates inclusive,
7 at \$5 per day each, fiscal year 1947, \$46,000.

8 CONTINGENT EXPENSES OF THE HOUSE

9 Reporting hearings: For an additional amount for steno-
10 graphic reports of hearings of committees other than special
11 and select committees, fiscal year 1946, \$5,000.

12 Telegraph and telephones: For an additional amount
13 for telegraph and telephone service, exclusive of personnel
14 services, fiscal year 1946, \$25,000.

15 Folding documents: For an additional amount for fold-
16 ing speeches and pamphlets at a rate not to exceed \$1 per
17 thousand or for the employment of personnel at a rate not
18 exceeding \$5.20 per day per person, fiscal year 1946, and
19 to remain available until June 30, 1947, \$15,000.

20 (6) COMMISSION TO REPRESENT THE UNITED STATES AT

21 THE PHILIPPINE INDEPENDENCE CEREMONIES

22 For travel and other expenses of the Commission created
23 by H. J. Res. 360, entitled "Joint resolution to provide for
24 United States participation in the Philippine independence

1 ceremonies on July 4, 1946", to enable the Commission to
2 make and carry out appropriate plans for United States
3 participation in such ceremonies, in accordance with the
4 provisions of said joint resolution, \$30,000, to remain avail-
5 able until July 31, 1946, and to be disbursed by the Secre-
6 tary of the Senate on vouchers approved by the Chairman
7 of the Commission.

8 INDEPENDENT OFFICES

9 FEDERAL POWER COMMISSION

10 Penalty mail costs: For an additional amount, fiscal
11 year 1946, for deposit in the general fund of the Treasury
12 for cost of penalty mail of the Federal Power Commission,
13 \$1,000.

14 (7) FEDERAL SECURITY AGENCY

15 SOCIAL SECURITY BOARD

16 Such sums as may be necessary are hereby appropriated
17 for making for the first quarter of the fiscal year 1947 (1)
18 grants to States for assistance to aged needy individuals,
19 needy dependent children, and needy individuals who are
20 blind, as authorized in title I, IV, and X, respectively, of
21 the Social Security Act approved August 14, 1935, as
22 amended, and (2) grants to States for unemployment com-
23 pensation administration: Provided, That the obligations
24 incurred and expenditures made for each of such purposes
25 under the authority of this appropriation shall be charged

1 *to the appropriations therefor in the Labor-Federal Security*
2 *Appropriation Act, 1947.*

3 FEDERAL WORKS AGENCY

4 BUREAU OF COMMUNITY FACILITIES

5 Public works advance planning: For an additional
6 amount for "Public works advance planning", \$35,000,000,
7 which together with the appropriations for this purpose in
8 the Independent Offices Appropriation Act, 1946, and the
9 First Deficiency Appropriation Act, 1946, shall remain
10 available until June 30, 1947, of which total amount not
11 to exceed \$1,183,000 shall be available for administrative
12 expenses during fiscal year 1947, including objects specified
13 under this head in said Independent Offices Act.

14 Maintenance and operation of schools: For carrying
15 out the provisions of "An Act to expedite the provision of
16 housing in connection with national defense, approved
17 October 14, 1940, as amended, to permit the making of
18 contributions, during the fiscal year ending June 30, 1947,
19 for the maintenance and operation of certain school facilities,
20 and for other purposes" (H. R. 5796, Seventy-ninth Con-
21 gress), not to exceed \$7,000,000 of the unobligated bal-
22 ances of the funds heretofore appropriated for carrying out
23 the provisions of titles II and III of the Act of October
24 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541)
25 to remain available until June 30, 1947, of which amount

1 not to exceed \$280,000 shall be available for administrative
2 expenses, including the objects specified under the head
3 “Defense public works (community facilities)” in the Second
4 Deficiency Appropriation Act, 1941, and the joint resolu-
5 tion approved December 23, 1941 (Public Law 371).

6 War public works (community facilities) liquidation:
7 For all administrative expenses necessary during the fiscal
8 year 1947 for the liquidation of all activities under titles II,
9 III, and IV of the Act of October 14, 1940, as amended
10 (42 U. S. C. 1531-1534, 1541, and 1562), except those
11 under the appropriation “Maintenance and operation of
12 schools”, not to exceed \$1,000,000 of the unobligated bal-
13 ances of the funds heretofore appropriated for carrying out
14 the provisions of titles II, III, and IV of the Act of October
15 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and
16 1562), including personal services and rents in the District
17 of Columbia and elsewhere; printing and binding; operation
18 and maintenance of passenger automobiles; of which amount
19 \$150,000 shall be for payment for accumulated and accrued
20 leave of employees separated from the Government service
21 due to said liquidation.

22 OFFICE OF DEFENSE TRANSPORTATION

23 Salaries and expenses: The limitation under the head
24 “Office of Defense Transportation” on the amount available
25 for printing and binding fixed at \$14,000 by the First

1 Supplemental Surplus Appropriation Rescission Act, 1946,
2 is hereby increased to \$20,000.

3 VETERANS' ADMINISTRATION

4 Administration, medical, hospital, and domiciliary serv-
5 ices: For an additional amount, fiscal year 1946, for "Admin-
6 istration, medical, hospital, and domiciliary services", includ-
7 ing the objects specified under this head in the Independent
8 Offices Appropriation Act, 1946, \$59,000,000.

9 Printing and binding: For an additional amount, fiscal
10 year 1946, for printing and binding for the Veterans'
11 Administration, \$740,000.

12 Penalty mail costs: For an additional amount, fiscal
13 year 1946, for deposit in the general fund of the Treasury
14 for cost of penalty mail of the Veterans' Administration,
15 \$916,000.

16 National service life insurance: For an additional amount,
17 fiscal year 1946, for "National service life insurance", in-
18 cluding the objects specified under this head in the Inde-
19 pendent Offices Appropriation Act, 1946, \$356,000,000, to
20 remain available until expended.

21 Hospital and domiciliary facilities: For proceed-
22 ing with the provision of those hospital and domiciliary
23 facilities on account of which appropriations heretofore
24 made remain unobligated, in addition to such appropriations
25 remaining unobligated the Administrator of Veterans' Af-

1 fairs may, prior to July 1, 1947, enter into contracts and
 2 incur obligations to an amount not in excess of \$441,250,-
 3 000: *Provided*, That not to exceed 6.7 per centum of
 4 (8)*this contract authorization plus* unobligated balances of
 5 appropriations under this head for the fiscal year 1947
 6 and prior fiscal years shall be available for the em-
 7 ployment in the District of Columbia and in the
 8 field of all necessary technical and clerical personnel
 9 for the preparation of plans and specifications for the projects
 10 as approved hereunder and in the supervision of the exe-
 11 cution thereof, and for all traveling expenses, field office
 12 equipment, and supplies in connection therewith, except
 13 that whenever Veterans' Administration finds it necessary
 14 in the construction of any project to employ other Govern-
 15 ment agencies or persons outside the Federal service to
 16 perform such services not to exceed 10 per centum of the
 17 cost of such (9)~~project~~ *projects* may be expended for such
 18 services.

19 (10)*DISTRICT OF COLUMBIA*

20 (11)*FISCAL SERVICE*

21 *Collector's office: For an additional amount, fiscal year*
 22 *1946, for "Collector's office", including the objects specified*
 23 *for this purpose in the District of Columbia Appropriation*
 24 *Act, 1946, \$65,000.*

(12) REGULATORY AGENCIES

Coroner's office: For an additional amount, fiscal year 1946, for "Coroner's office", including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$5,640.

(13) PUBLIC LIBRARY

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses, Public Library", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$27,500.

(14) FIRE DEPARTMENT

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses, Fire Department", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$47,500.

(15) PUBLIC WELFARE*Mental Rehabilitation Service*

Saint Elizabeths Hospital: For an additional amount, fiscal year 1946, for "Saint Elizabeths Hospital", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$62,100.

(16) PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1946, for

1 *“Operating expenses, Office of Superintendent of District*
 2 *Buildings”, including the objects specified under this head*
 3 *in the District of Columbia Appropriation Act, 1946, \$1,750.*

4 **(17) WASHINGTON AQUEDUCT**

5 *Operating expenses (payable from water fund): For an*
 6 *additional amount, fiscal year 1946, for “Operating expenses*
 7 *(payable from water fund)”, including the objects specified*
 8 *under this head in the District of Columbia Appropriation*
 9 *Act, 1946, \$32,400.*

10 **(18) NATIONAL GUARD**

11 *Salaries and expenses: For an additional amount, fiscal*
 12 *year 1946, for “Salaries and expenses, National Guard”,*
 13 *including the objects specified under this head in the District*
 14 *of Columbia Appropriation Act, 1946, \$968.*

15 **(19) DIVISION OF EXPENSES**

16 *The sums appropriated in this Act for the District of*
 17 *Columbia, shall, unless otherwise specifically provided, be*
 18 *paid out of the general fund of the District of Columbia*
 19 *as defined in the District of Columbia Appropriation Act,*
 20 *1946.*

21 **DEPARTMENT OF JUSTICE**

22 **LEGAL ACTIVITIES AND GENERAL ADMINISTRATION**

23 For an additional amount, fiscal year 1946, for personal
 24 services, as follows:

1 Administrative Division, \$7,500;

2 Tax Division, \$9,000;

3 Criminal Division, \$20,000;

4 Office of the Assistant Solicitor General, \$10,210;

5 Office of Pardon Attorney, \$392.

6 Printing and binding: For an additional amount, fiscal
7 year 1946, for "Printing and binding", \$75,000.

8 Salaries and expenses, Lands Division: For an additional
9 amount, fiscal year 1942, for "Salaries and expenses, Lands
10 Division", including the objects specified under this head
11 in the Department of Justice Appropriation Act, 1942,
12 \$408.89.

13 Fees of witnesses: For an additional amount, fiscal year
14 1946, for "Fees of witnesses", including the objects speci-
15 fied under this head in the Department of Justice Appro-
16 priation Act, 1946, \$63,500: *Provided*, That the limitation
17 on the amount which may be expended for compensation
18 and expenses of witnesses or informants authorized or ap-
19 proved by the Attorney General is hereby increased from,
20 \$25,000 to \$50,000.

21 Pay and expenses of bailiffs: For an additional amount
22 fiscal year 1946, for "Pay and expenses of bailiffs", includ-
23 ing the objects specified under this head in the Department
24 of Justice Appropriation Act, 1946, \$20,000.

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

Grants to States for emergency maternity and infant care (national defense) : For an additional amount, fiscal year 1946, for "Grants to States for emergency maternity and infant care (national defense)", including the objects specified under this head in the Department of Labor Appropriation Act, 1946, \$1,974,000.

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

For additional amounts, fiscal year 1946, for appropriations of the Post Office Department, including the objects specified in the Post Office Department Appropriation Act, 1946, under each head respectively, as follows:

OFFICE OF THE POSTMASTER GENERAL

Adjusted losses and contingencies, \$10,000;

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters, \$2,156,000;

Compensation to assistant postmasters, \$325,000;

Clerks, first- and second-class post offices, \$15,800,000;

Miscellaneous items, first- and second-class post offices, \$68,000;

Carfare and bicycle allowance, \$60,000;

City delivery carriers, \$11,000,000;

1 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

2 Star-route service, \$810,000;

3 Railroad transportation and mail messenger service,
4 \$1,000,000;

5 Railway Mail Service, \$1,683,000;

6 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

7 Rent, light, power, fuel, and water, \$500,000;

8 Pneumatic-tube service, New York City, \$14,300;

9 Transportation of equipment and supplies, \$187,500;

10 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

11 Operating force, \$700,000;

12 Operating supplies, public buildings, \$112,200.

13 INCREASED PAY COSTS

14 For payment of increased pay costs for the period Janu-
15 ary 1, 1946, to June 30, 1946, as authorized by the Act
16 of May 21, 1946 (Public Law 386), \$79,661,100, to be
17 apportioned as indicated in House Document Numbered 610,
18 Seventy-ninth Congress.

19 TREASURY DEPARTMENT

20 FISCAL SERVICE

21 BUREAU OF ACCOUNTS

22 Salaries and expenses: For an additional amount for
23 salaries and expenses, Bureau of Accounts, fiscal year 1947,
24 including the objects specified under this head in the Treasury
25 Department Appropriation Act, 1947, for obligations (in-

cluding payment of accrued annual leave) incurred by and the liquidation of War Agencies placed in liquidation during the fiscal year 1946, \$75,400, of which \$30,000 shall be immediately available.

Division of Disbursement, salaries and expenses: For an additional amount, fiscal year 1946, for salaries and expenses, Division of Disbursement, \$825,000.

WAR DEPARTMENT—CIVIL FUNCTIONS

CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

For all expenses necessary, not otherwise provided for to enable the Secretary of War to carry out his responsibilities in connection with evacuation and return to their homeland of the remains of members of the armed forces and certain citizens and employees of the United States as authorized by the Act of May 16, 1946, Public Law Numbered 383, including funeral and burial expenses or payment of allowances in lieu thereof; personal services at the seat of government (not to exceed \$1,350,000) and elsewhere; construction of buildings and facilities; acquisition of real estate or interests therein; purchase, operation, maintenance, and repair of passenger automobiles; printing and binding; settlement of claims incident to and resulting from activities pursuant to said Act in accordance with the Act approved July 3, 1943 (31 U. S. C. 223b); and communication and other services and supplies at the seat of

1 government or elsewhere; \$92,500,000, to remain available
 2 until expended: *Provided*, That the Secretary of War is
 3 authorized to furnish, without reimbursement, supplies and
 4 equipment in excess of the needs of the Military Establish-
 5 ment and to make available existing facilities of the Military
 6 Establishment to the fullest extent possible for the accom-
 7 plishment of the objects provided for herein: *Provided*
 8 *further*, That expenditures from this appropriation may
 9 be made when necessary to carry out its purpose without
 10 regard to sections 355, 1136, 3648, 3709, and 3734, Re-
 11 vised Statutes, as amended, or civil service and classification
 12 laws.

13 THE JUDICIARY

14 MISCELLANEOUS ITEMS OF EXPENSE

15 Probation system, United States courts: For an addi-
 16 tional amount, fiscal year 1946, for "Probation system,
 17 United States Courts", \$20,000.

18 Miscellaneous salaries: For an additional amount, fiscal
 19 year 1946, for "Miscellaneous salaries", \$10,000.

20 Salaries, court reporters: For an additional amount,
 21 fiscal year 1946, for "Salaries, court reporters", \$58,500.

22 TITLE II—GENERAL PROVISIONS

23 ~~(20)SEC. 201.~~ No part of any appropriation contained in
 24 this Act shall be used to pay the salary or wages of any
 25 person who advocates, or who is a member of an organiza-

tion that advocates the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provision of existing law.

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force

1 or violence: *Provided, That for the purposes hereof an*
2 *affidavit shall be considered prima facie evidence that the*
3 *person making the affidavit has not contrary to the provisions*
4 *of this section engaged in a strike against the Government*
5 *of the United States, is not a member of an organization of*
6 *Government employees that asserts the right to strike against*
7 *the Government of the United States, or that such person*
8 *does not advocate, and is not a member of an organization*
9 *that advocates, the overthrow of the Government of the*
10 *United States by force or violence: Provided further, That*
11 *any person who engages in a strike against the Government*
12 *of the United States or who is a member of an organization*
13 *of Government employees that asserts the right to strike*
14 *against the Government of the United States, or who ad-*
15 *vocates, or who is a member of an organization that advo-*
16 *cates, the overthrow of the Government of the United States*
17 *by force or violence and accepts employment the salary or*
18 *wages for which are paid from any appropriation contained*
19 *in this Act shall be guilty of a felony and, upon conviction,*
20 *shall be fined not more than \$1,000 or imprisoned for not*
21 *more than one year, or both: Provided further, That the*
22 *above penalty clause shall be in addition to, and not in*
23 *substitution for, any other provisions of existing law.*
24 *to appropriations contained in (21) any regular annual appro-*
25 *priation Act for the fiscal year 1947, not a law on July 1,*

1 ~~1946~~ (1) any regular annual appropriation Act for the
 2 fiscal year 1947, or (2) contained in other than a regular
 3 annual appropriation Act for the fiscal year 1947, and being
 4 for such fiscal year, or (3) contained in other than a regular
 5 annual appropriation Act for the fiscal year 1947, and being
 6 supplemental to an existing appropriation and for obligation
 7 after June 30, 1946, such Acts not being laws on July
 8 1, 1946, shall be available from and including July 1,
 9 1946, for the purposes respectively provided in such appro-
 10 priations and authority. All obligations incurred during the
 11 period between June 30, 1946, and the date of enactment of
 12 such appropriation Acts as may not have been enacted on or
 13 before July 1, 1946, in anticipation of such appropriations
 14 and authority are hereby ratified and confirmed if in accord-
 15 ance with the terms thereof.

16 SEC. 203. This Act may be cited as the "Third Urgent
 17 Deficiency Appropriation Act, 1946".

Passed the House of Representatives May 29, 1946.

Attest:

SOUTH TRIMBLE,

Clerk

By H. NEWLIN MEGILL

Passed the Senate with amendments June 14 (legisla-
 tive day, March 5), 1946.

Attest:

LESLIE L. BIFFLE,

Secretary.

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1946

Ordered to be printed with the amendments of the
Senate numbered

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued June 19, 1946
For actions of June 18, 1946
79th-2nd, No. 118

CONTENTS

Agriculture appropriation bill..... 1	Food production.....27	Machinery, farm.....29
Alcohol.....23	Food shortage.....17,29	Nutrition.....30
Appropriations.....1,2,6,14	Foreign relations.....20	Patents.....15
Bankruptcy.....16	Forestry.....25	Personnel.....7,12,22,32
Committee continuation...11	Fruits and vegetables....22	Price control.....33
Congressional reorganiza- tion.....28	Grain shortage.....10,17	R.F.C.....5
Debt, public.....3	Housing.....9,34	Reclamation.....2
Electrification.....26	Inflation.....31	Regional authorities....26
Employment.....22	Information.....20	Relief, foreign.....17
Feed shortage.....17	Labor.....19	Reports.....19
Fertilizers.....25	Labor, farm.....29	Rubber.....19,23
Flood control.....13	Lands, public.....24	Transportation.....8
	Livestock and meat.....33	Veterans.....32
	Loans, farm.....4,21	Wheat.....10,18

HIGHLIGHTS: Senate agreed to conference report on agricultural appropriation bill; ready for President. Senate passed bill to decrease public-debt limit to \$275 billion; ready for President. Senate committee reported bill to authorize FMC to purchase GI loans. Senate committee reported Bulwinkle transportation bill authorizing agreements among carriers. Sen. Capper inserted telegrams criticizing Government wheat requisition. Sen. Butler discussed Secretary's report on disposition of Government plants and commended S. 1908, for utilization of the plants. Rep. Vursell commended USDA for its work on corn and wheat program. Rep. Anderson outlined six-point program to ease food shortage.

SENATE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report, and to House amendments to the Senate amendments in disagreement, on this bill, H. R. 5605 (pp. 7170-1). This bill will now be sent to the President.
2. INTERIOR APPROPRIATION BILL. Debated this bill, H. R. 6335 (pp. 7170, 7190, 7195-202). In supporting reclamation, Sen. Butler, Nebr., inserted BAE tables showing production of various farm commodities by States (pp. 7195-7).
3. PUBLIC DEBT. Passed without amendment H. R. 6699, to reduce the debt limit from \$300,000,000,000 to \$275,000,000,000 (pp. 7194-5). This bill will now be sent to the President.
4. FARM CREDIT. The Banking and Currency Committee reported without amendment S. 2280, authorizing Federal Farm Mortgage Corporation to provide a secondary market for GI loans (S. Rept. 1513)(p. 7165).
5. R. F. C. The Banking and Currency Committee reported with amendments S. J. Res. 156, to extend RFC (S. Rept. 1517)(p. 7165).
6. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 6056 (S. Rept. 1510)(p. 7165).
7. PERSONNEL. The Civil Service Committee reported without amendment S. 2335, to excuse Government employees July 5, 1946 (S. Rept. 1512)(p. 7165).
House and Senate conferees were appointed on H. R. 5244, to authorize the appointment of additional foreign-service officers (pp. 7202, 7207).

8. TRANSPORTATION. The Interstate Commerce Committee reported with amendments S. 2536, the Bulwinkle bill which authorizes agreements among carriers (S. Rept. 1511) (p. 7165).
9. HOUSING. The Banking and Currency Committee reported without amendment S. 2341, to remove certain restrictions on mortgage insurance by FHA on property already constructed (S. Rept. 1514) (p. 7165).
10. WHEAT SHORTAGE. Sen. Capper, Kans., inserted telegrams criticizing Government requisitioning of wheat (p. 7165).
11. COMMITTEE CONTINUATION. Sen. Lucas, Ill., presented a resolution to continue special committees until Jan. 31, 1947, but withdrew it temporarily on request (pp. 7190-1).
12. INTERIOR SOLICITOR. Agreed to a House amendment to S. 1460, to provide for a \$10,000 salary and Senate confirmation of the Solicitor of the Interior Department (p. 7167). This bill will now be sent to the President.

HOUSE

13. FLOOD CONTROL. Began debate on H. R. 6597, the omnibus flood control bill of 1946 (pp. 7209-36). Agreed to several amendments to the bill but postponed a final vote until Thurs., June 20. During the debate, Rep. Whittington, Miss., explained the policy of giving the Corps of Engineers the responsibility of planning and constructing the flood-control projects and this Department the responsibility of investigating water-flow retardation and soil erosion (p. 7210).
14. 3RD URGENT DEFICIENCY APPROPRIATION BILL. Agreed to the Senate amendments to this bill, H. R. 6601 (pp. 7207-8). This bill will now be sent to the President.
15. TRADE-MARKS. Conferees were appointed on H. R. 1654, to provide for the registration and protection of trade-marks (p. 7205). Senate conferees were appointed June 14.
16. BANKRUPTCY. Agreed to the Senate amendments to H. R. 4160, to set up a system of full-time salaried referees under the Bankruptcy Act (pp. 7236-7). This bill will now be sent to the President.
17. FOREIGN RELIEF; FOOD SHORTAGE. Rep. Vursell, Ill., commended the Department for its handling of the corn and wheat programs, but urged an investigation of food commitments for foreign relief in the face of the food shortages at home (pp. 7237-9).
Rep. Merrow, N. H., urged an investigation of the Government's food commitments to foreign countries and a careful study to determine how the shipment of grains can be curtailed in order to relieve the food and feed shortages in New England (pp. 7239-43).
Rep. Andresen, Minn., criticized the administration for "failure of...officials to make plans immediately after last year's abundant harvest to cover food and feed requirements and commitments for domestic and foreign consumption" and outlined a six-point plan to relieve the food shortage (pp. 7244-6).
18. WHEAT. Rep. Andresen, Minn., announced that Great Britain is negotiating a long-term contract for Canadian wheat (p. 7208).

partment, because they cannot go ahead with the test; they cannot even dispose of the vessels that are to be bombed until this authorization goes through.

Mr. MICHENER. This is the bill that the gentleman from Ohio [Mr. Hess], the ranking minority member of the subcommittee, on yesterday suggested was proper for consideration?

Mr. IZAC. That is correct, I will say to the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FOREIGN SERVICE OFFICERS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5244) to authorize the employment of additional foreign-service officers in the classified grades, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Mr. BLOOM, Mr. LUTHER A. JOHNSON, and Mr. EATON.

THIRD URGENCY DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1946

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, the amendments involved here relate either to the Senate or some joint activity or to routine things that have to be provided for before the 1st of July. Is not that the case?

Mr. CANNON of Missouri. That is true. The amendments are of a minor nature. There are only a few of them. They involve a little over \$300,000.

I may say, Mr. Speaker, that it is important that this bill become effective at the earliest date. It carries funds for the housing program, for veterans' hospitals, for bringing the remains of members of the armed forces back from abroad, and it carries a very urgent provision for the Treasury Department, which will be out of money July 10. It also carries money for implementing the law increasing the salaries of postal employees. We passed it in the House May 29, but it has just passed the Senate. Because of its urgent nature the committee has agreed to call it up and have directed me to move to concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate amendments as follows:

Page 2, after line 2, insert:

"SENATE"

Page 2, after line 2, insert:

"For payment to Mary Scott Glass, widow of Carter Glass, late a Senator from the State of Virginia, \$10,000."

Page 2, after line 2, insert:

"For payment to Musa Harkins Bankhead, widow of John H. Bankhead, late a Senator from the State of Alabama, \$10,000."

Page 2, after line 2, insert:

"For the payment of 21 pages for the Senate Chamber, at \$5 per day each, for the period July 1, 1946, to December 31, 1946, both dates inclusive, fiscal year 1947, \$19,320."

Page 2, after line 2, insert:

"For the employment of an additional assistant chief telephone operator at \$2,400 per annum, and seven additional telephone operators at \$1,800 per annum each, fiscal year 1947, \$15,000."

Page 3, after line 4, insert:

"COMMISSION TO REPRESENT THE UNITED STATES AT THE PHILIPPINE INDEPENDENCE CEREMONIES

"For travel and other expenses of the Commission created by House Joint Resolution 360, entitled 'Joint resolution to provide for United States participation in the Philippine independence ceremonies on July 4, 1946,' to enable the Commission to make and carry out appropriate plans for United States participation in such ceremonies, in accordance with the provisions of said joint resolution, \$30,000, to remain available until July 31, 1946, and to be disbursed by the Secretary of the Senate on vouchers approved by the Chairman of the Commission."

Page 3, after line 10, insert:

"FEDERAL SECURITY AGENCY

"SOCIAL SECURITY BOARD"

"Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1947 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1947."

Page 6, line 12, after "of" insert "this contract authorization plus."

Page 6, line 25, strike out "project" and insert "projects."

Page 6, after line 25, insert:

"DISTRICT OF COLUMBIA"

Page 6, after line 25, insert:

"FISCAL SERVICE

"Collector's office: For an additional amount, fiscal year 1946, for 'Collector's office,' including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$65,000."

Page 6, after line 25, insert:

"REGULATORY AGENCIES

"Coroner's office: For an additional amount, fiscal year 1946, for 'Coroner's office,' including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$5,640."

Page 6, after line 25, insert:

"PUBLIC LIBRARY

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and

expenses, Public Library,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$27,500."

Page 6, after line 25, insert:

"FIRE DEPARTMENT

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses, Fire Department,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$47,500."

Page 6, after line 25, insert:

"PUBLIC WELFARE

"Mental Rehabilitation Service

"St. Elizabeths Hospital: For an additional amount, fiscal year 1946, for 'St. Elizabeths Hospital,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$62,100."

Page 6, after line 25, insert:

"PUBLIC WORKS

"Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1946, for 'Operating expenses, Office of Superintendent of District Buildings,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$1,750."

Page 6, after line 25, insert:

"WASHINGTON AQUEDUCT

"Operating expenses (payable from water fund): For an additional amount, fiscal year 1946, for 'Operating expenses (payable from water fund),' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$32,400."

Page 6, after line 25, insert:

NATIONAL GUARD

"Salaries and expenses: For an additional amount, fiscal year 1946, for 'Salaries and expenses, National Guard,' including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$968."

Page 6, after line 25, insert:

"DIVISION OF EXPENSES

"The sums appropriated in this act for the District of Columbia, shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia as defined in the District of Columbia Appropriation Act, 1946."

Page 12, strike out lines 6 to 25, inclusive, and insert:

"SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary

or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Page 13, line 2, strike out all after "in" down to and including "1946" in line 3, and insert "(1) any regular annual appropriation act for the fiscal year 1947, or (2) contained in other than a regular annual appropriation act for the fiscal year 1947, and being for such fiscal year, or (3) contained in other than a regular annual appropriation act for the fiscal year 1947, and being supplemental to an existing appropriation and for obligation after June 30, 1946, such acts not being laws on July 1, 1946."

Mr. CANNON of Missouri. Mr. Speaker, the bill, as passed by the House, appropriated a total of \$661,520,810.89.

The Senate has amended the bill in three or four relatively minor respects.

It has added a total of \$327,178. Of that amount, \$54,320 is for Senate expenses, \$30,000 is for the expenses of the Commission to represent the United States at the Philippine independence ceremonies, and the balance—\$242,858—for additional expenses of the District of Columbia for the current fiscal year, all of which have Budget support.

One other amendment, in accordance with custom when the regular annual bill is late in passing, advances the availability for first quarter 1947 fiscal year obligation of funds for assistance to aged needy individuals, needy independent children, and needy individuals who are blind.

Mr. Speaker, I move that the House concur in all Senate amendments.

The motion was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and include an editorial from today's Washington Post.

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD and include an editorial from the Syracuse Herald-Journal entitled "Farley's True Words."

Mr. NEELY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. OUTLAND] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. NEELY. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the Gallup Poll which appeared in the Washington Post last Wednesday as well as other papers of the Nation under the title "Public Backs Cancer Research With Tax Raised Funds."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

BRITISH TO NEGOTIATE 7-YEAR WHEAT PURCHASE AGREEMENT WITH CANADA

Mr. AUGUST H. ANDRESEN. Mr. Speaker, while Congress is considering a \$4,400,000,000 loan to Great Britain, British Food Minister John Strachey and L. J. Thompson and E. G. Hardwood, of the British Ministry of Food are in Ottawa, Canada, for the announced purpose of negotiating a long-term contract for Canadian wheat.

The quantity reported to be under consideration is between 220,000,000 bushels and 350,000,000 bushels annually, depending upon whether Great Britain alone is to be supplied or subagreements are negotiated between Great Britain and France, Belgium, and other European countries. The term of the proposed agreement is said to be either 4, 5, or 7 years. Prices mentioned range between \$1 and \$1.50 per bushel.

These bilateral British Empire negotiations will, when completed, effectively close the European market to the United States grain producers. These negotiations are certainly contrary to the so-called long-range international plans upon which the Department of Agriculture is supposed to be working and which contemplate multilateral international understandings with respect to the disposition of surpluses.

The British loan is scheduled for debate here next week. May I suggest that a loan to Britain at this time would mean financing the destruction of our export grain markets. It is about time that the United States Government required guaranties for the protection of our producers before discussing international loans.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in three instances in the RECORD, in two to include newspaper articles, and in the other to include quotations.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include some editorials.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include some observations on agricultural production in South Dakota.

PERMISSION TO ADDRESS THE HOUSE

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

CERTAIN LEGISLATION NECESSARY BEFORE ADJOURNMENT OF CONGRESS

Mr. DWORSHAK. Mr. Speaker, Congress should not adjourn for the sum-

mer before decisive action is completed on the numerous issues which remain unsettled. Nothing can be gained by delays and indecision which are retarding reconversion. Public confidence is being undermined and destroyed because of the lack of unity and unnecessary conflict between economic groups.

All three branches of government in Washington are overwhelmed by confusion. In the executive department, there is no coordination or orderly planning; in the legislative branch, political factors have overshadowed forthright action on essential measures; the Supreme Court has forfeited its dignity because of internal dissension. The Democratic Party has complete control of all three branches, and its leaders cannot evade full responsibility.

Momentous world and domestic issues challenge our Nation, but almost a year after VJ-day we are bogged down in political red tape. Instead of political expediency, we must have the courage to face postwar problems with resolute determination. Congress should reflect the national will to win the peace and should remain in session until national mandates are carried out without delay. No other course can be justified at this time.

EXTENSION OF REMARKS

Mr. RIZLEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include therein a radio address made by the gentleman from Maine [Mr. HALE].

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PITTENGER. Mr. Speaker, on yesterday I was granted unanimous consent to have printed in the Appendix of the RECORD a manuscript entitled "Housing Administration Delays." I am advised by the Public Printer that the extension will take four pages at a cost of \$240. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include a resolution adopted last week by the Nebraska Stock Growers at Omaha.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include an article by Henry Hazlitt entitled "Sham War Against Inflation."

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include a short article appearing in the Washington Times-Herald of today by Frank M. Smith.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD.

[PUBLIC LAW 419—79TH CONGRESS]

[CHAPTER 425—2D SESSION]

[H. R. 6601]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, namely:

TITLE I—GENERAL APPROPRIATIONS

LEGISLATIVE

SENATE

For payment to Mary Scott Glass, widow of Carter Glass, late a Senator from the State of Virginia, \$10,000.

For payment to Musa Harkins Bankhead, widow of John H. Bankhead, late a Senator from the State of Alabama, \$10,000.

For the payment of twenty-one pages for the Senate Chamber, at \$5 per day each, for the period July 1, 1946, to December 31, 1946, both dates inclusive, fiscal year 1947, \$19,320.

For the employment of an additional assistant chief telephone operator at \$2,400 per annum, and seven additional telephone operators at \$1,800 per annum each, fiscal year 1947, \$15,000.

HOUSE OF REPRESENTATIVES

OFFICE OF THE CLERK

Salaries: For the employment of eight additional telephone operators at the basic rate of \$1,800 per annum each (authorized by House Resolution Numbered 628, adopted May 21, 1946), fiscal year 1947, \$14,400.

COMMITTEE EMPLOYEES

Stenographer, Committee on Expenditures in the Executive Departments, at the rate of \$2,400 per annum, fiscal year 1947, \$2,400.

OFFICE OF DOORKEEPER

Salaries: For payment of fifty pages, including ten pages for duty at the entrances to the Hall of the House, from July 1 to December 31, 1946, both dates inclusive, at \$5 per day each, fiscal year 1947, \$46,000.

CONTINGENT EXPENSES OF THE HOUSE

Reporting hearings: For an additional amount for stenographic reports of hearings of committees other than special and select committees, fiscal year 1946, \$5,000.

Telegraph and telephones: For an additional amount for telegraph and telephone service, exclusive of personnel services, fiscal year 1946, \$25,000.

Folding documents: For an additional amount for folding speeches and pamphlets at a rate not to exceed \$1 per thousand or for the employment of personnel at a rate not exceeding \$5.20 per day per person, fiscal year 1946, and to remain available until June 30, 1947, \$15,000.

COMMISSION TO REPRESENT THE UNITED STATES AT THE PHILIPPINE
INDEPENDENCE CEREMONIES

For travel and other expenses of the Commission created by H. J. Res. 360, entitled "Joint resolution to provide for United States participation in the Philippine independence ceremonies on July 4, 1946", to enable the Commission to make and carry out appropriate plans for United States participation in such ceremonies, in accordance with the provisions of said joint resolution, \$30,000, to remain available until July 31, 1946, and to be disbursed by the Secretary of the Senate on vouchers approved by the Chairman of the Commission.

INDEPENDENT OFFICES

FEDERAL POWER COMMISSION

Penalty mail costs: For an additional amount, fiscal year 1946, for deposit in the general fund of the Treasury for cost of penalty mail of the Federal Power Commission, \$1,000.

FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

Such sums as may be necessary are hereby appropriated for making for the first quarter of the fiscal year 1947 (1) grants to States for assistance to aged needy individuals; needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1947.

FEDERAL WORKS AGENCY

BUREAU OF COMMUNITY FACILITIES

Public works advance planning: For an additional amount for "Public works advance planning", \$35,000,000, which together with

the appropriations for this purpose in the Independent Offices Appropriation Act, 1946, and the First Deficiency Appropriation Act, 1946, shall remain available until June 30, 1947, of which total amount not to exceed \$1,183,000 shall be available for administrative expenses during fiscal year 1947, including objects specified under this head in said Independent Offices Act.

Maintenance and operation of schools: For carrying out the provisions of "An Act to expedite the provision of housing in connection with national defense, approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes" (H. R. 5796, Seventy-ninth Congress), not to exceed \$7,000,000 of the unobligated balances of the funds heretofore appropriated for carrying out the provisions of titles II and III of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534 and 1541) to remain available until June 30, 1947, of which amount not to exceed \$280,000 shall be available for administrative expenses, including the objects specified under the head "Defense public works (community facilities)" in the Second Deficiency Appropriation Act, 1941, and the joint resolution approved December 23, 1941 (Public Law 371).

War public works (community facilities) liquidation: For all administrative expenses necessary during the fiscal year 1947 for the liquidation of all activities under titles II, III, and IV of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and 1562), except those under the appropriation "Maintenance and operation of schools", not to exceed \$1,000,000 of the unobligated balances of the funds heretofore appropriated for carrying out the provisions of titles II, III, and IV of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534, 1541, and 1562), including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of passenger automobiles; of which amount \$150,000 shall be for payment for accumulated and accrued leave of employees separated from the Government service due to said liquidation.

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: The limitation under the head "Office of Defense Transportation" on the amount available for printing and binding fixed at \$14,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to \$20,000.

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount, fiscal year 1946, for "Administration, medical, hospital, and domiciliary services", including the objects specified under this head in the Independent Offices Appropriation Act, 1946, \$59,000,000.

Printing and binding: For an additional amount, fiscal year 1946, for printing and binding for the Veterans' Administration, \$740,000.

Penalty mail costs: For an additional amount, fiscal year 1946, for deposit in the general fund of the Treasury for cost of penalty mail of the Veterans' Administration, \$916,000.

National service life insurance: For an additional amount, fiscal year 1946, for "National service life insurance", including the objects specified under this head in the Independent Offices Appropriation Act, 1946, \$356,000,000, to remain available until expended.

Hospital and domiciliary facilities: For proceeding with the provision of those hospital and domiciliary facilities on account of which appropriations heretofore made remain unobligated, in addition to such appropriations remaining unobligated the Administrator of Veterans' Affairs may, prior to July 1, 1947, enter into contracts and incur obligations to an amount not in excess of \$441,250,000: *Provided*, That not to exceed 6.7 per centum of this contract authorization plus unobligated balances of appropriations under this head for the fiscal year 1947 and prior fiscal years shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all traveling expenses, field office equipment, and supplies in connection therewith, except that whenever Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 per centum of the cost of such projects may be expended for such services.

DISTRICT OF COLUMBIA

FISCAL SERVICE

Collector's office: For an additional amount, fiscal year 1946, for "Collector's office", including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$65,000.

REGULATORY AGENCIES

Coroner's office: For an additional amount, fiscal year 1946, for "Coroner's office", including the objects specified for this purpose in the District of Columbia Appropriation Act, 1946, \$5,640.

PUBLIC LIBRARY

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses, Public Library", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$27,500.

FIRE DEPARTMENT

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses, Fire Department", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$47,500.

PUBLIC WELFARE

Mental Rehabilitation Service

Saint Elizabeths Hospital: For an additional amount, fiscal year 1946, for "Saint Elizabeths Hospital", including the objects specified

under this head in the District of Columbia Appropriation Act, 1946, \$62,100.

PUBLIC WORKS

Operating expenses, Office of Superintendent of District Buildings: For an additional amount, fiscal year 1946, for "Operating expenses, Office of Superintendent of District Buildings", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$1,750.

WASHINGTON AQUEDUCT

Operating expenses (payable from water fund): For an additional amount, fiscal year 1946, for "Operating expenses (payable from water fund)", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$32,400.

NATIONAL GUARD

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses, National Guard", including the objects specified under this head in the District of Columbia Appropriation Act, 1946, \$968.

DIVISION OF EXPENSES

The sums appropriated in this Act for the District of Columbia, shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia as defined in the District of Columbia Appropriation Act, 1946.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

For an additional amount, fiscal year 1946, for personal services, as follows:

Administrative Division, \$7,500;

Tax Division, \$9,000;

Criminal Division, \$20,000;

Office of the Assistant Solicitor General, \$10,210;

Office of Pardon Attorney, \$392.

Printing and binding: For an additional amount, fiscal year 1946, for "Printing and binding", \$75,000.

Salaries and expenses, Lands Division: For an additional amount, fiscal year 1942, for "Salaries and expenses, Lands Division", including the objects specified under this head in the Department of Justice Appropriation Act, 1942, \$408.89.

Fees of witnesses: For an additional amount, fiscal year 1946, for "Fees of witnesses", including the objects specified under this head in the Department of Justice Appropriation Act, 1946, \$63,500: *Provided*, That the limitation on the amount which may be expended for compensation and expenses of witnesses or informants authorized or approved by the Attorney General is hereby increased from \$25,000 to \$50,000.

Pay and expenses of bailiffs: For an additional amount, fiscal year 1946, for "Pay and expenses of bailiffs", including the objects speci-

fied under this head in the Department of Justice Appropriation Act, 1946, \$20,000.

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

Grants to States for emergency maternity and infant care (national defense): For an additional amount, fiscal year 1946, for "Grants to States for emergency maternity and infant care (national defense)", including the objects specified under this head in the Department of Labor Appropriation Act, 1946, \$1,974,000.

POST OFFICE DEPARTMENT

(Out of the postal revenues)

FIELD SERVICE, POST OFFICE DEPARTMENT

For additional amounts, fiscal year 1946, for appropriations of the Post Office Department, including the objects specified in the Post Office Department Appropriation Act, 1946, under each head respectively, as follows:

OFFICE OF THE POSTMASTER GENERAL

Adjusted losses and contingencies, \$10,000;

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters, \$2,156,000;
Compensation to assistant postmasters, \$325,000;
Clerks, first- and second-class post offices, \$15,800,000;
Miscellaneous items, first- and second-class post offices, \$68,000;
Carfare and bicycle allowance, \$60,000;
City delivery carriers, \$11,000,000;

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star-route service, \$810,000;
Railroad transportation and mail messenger service, \$1,000,000;
Railway Mail Service, \$1,683,000;

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Rent, light, power, fuel, and water, \$500,000;
Pneumatic-tube service, New York City, \$14,300;
Transportation of equipment and supplies, \$187,500;

PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

Operating force, \$700,000;
Operating supplies, public buildings, \$112,200.

INCREASED PAY COSTS

For payment of increased pay costs for the period January 1, 1946, to June 30, 1946, as authorized by the Act of May 21, 1946 (Public

Law 386), \$79,661,100, to be apportioned as indicated in House Document Numbered 610, Seventy-ninth Congress.

TREASURY DEPARTMENT

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For an additional amount for salaries and expenses, Bureau of Accounts, fiscal year 1947, including the objects specified under this head in the Treasury Department Appropriation Act, 1947, for obligations (including payment of accrued annual leave) incurred by and the liquidation of War Agencies placed in liquidation during the fiscal year 1946, \$75,400, of which \$30,000 shall be immediately available.

Division of Disbursement, salaries and expenses: For an additional amount, fiscal year 1946, for salaries and expenses, Division of Disbursement, \$825,000.

WAR DEPARTMENT—CIVIL FUNCTIONS

CEMETERIAL EXPENSES (ACT OF MAY 16, 1946)

For all expenses necessary, not otherwise provided for, to enable the Secretary of War to carry out his responsibilities in connection with the evacuation and return to their homeland of the remains of members of the armed forces and certain citizens and employees of the United States as authorized by the Act of May 16, 1946, Public Law Numbered 383, including funeral and burial expenses or payment of allowances in lieu thereof; personal services at the seat of government (not to exceed \$1,350,000) and elsewhere; construction of buildings and facilities; acquisition of real estate or interests therein; purchase, operation, maintenance, and repair of passenger automobiles; printing and binding; settlement of claims incident to and resulting from activities pursuant to said Act in accordance with the Act approved July 3, 1943 (31 U. S. C. 223b); and communication and other services and supplies at the seat of government or elsewhere; \$92,500,000, to remain available until expended: *Provided*, That the Secretary of War is authorized to furnish, without reimbursement, supplies and equipment in excess of the needs of the Military Establishment and to make available existing facilities of the Military Establishment to the fullest extent possible for the accomplishment of the objects provided for herein: *Provided further*, That expenditures from this appropriation may be made when necessary to carry out its purpose without regard to sections 355, 1136, 3648, 3709, and 3734, Revised Statutes, as amended, or civil-service and classification laws.

THE JUDICIARY

MISCELLANEOUS ITEMS OF EXPENSE

Probation system, United States courts: For an additional amount, fiscal year 1946, for "Probation system, United States Courts", \$20,000.

Miscellaneous salaries: For an additional amount, fiscal year 1946, for "Miscellaneous salaries", \$10,000.

Salaries, court reporters: For an additional amount, fiscal year 1946, for "Salaries, court reporters", \$58,500.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. The appropriations and authority with respect to appropriations contained in (1) any regular annual appropriation Act for the fiscal year 1947, or (2) contained in other than a regular annual appropriation Act for the fiscal year 1947, and being for such fiscal year, or (3) contained in other than a regular annual appropriation Act for the fiscal year 1947, and being supplemental to an existing appropriation and for obligation after June 30, 1946, such Acts not being laws on July 1, 1946, shall be available from and including July 1, 1946, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1946, and the date of enactment of such appropriation Acts as may not have been enacted on or before July 1, 1946, in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

SEC. 203 This Act may be cited as the "Third Urgent Deficiency Appropriation Act, 1946".

Approved June 21, 1946.

